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LECTURE NOTES
ON
ECONOMICS AND POLITICS

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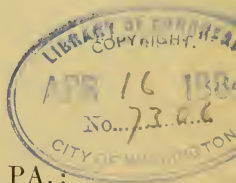
DAVID J. ^{Jayne} HILL, LL. D.,

President of the University at Lewisburg.

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LECTURES ON ECONOMICS.



I.

THE PROVINCE OF ECONOMICS.

1. DEFINITION OF ECONOMICS.

ECONOMICS *is the science of exchanges.* It is also sometimes defined "*the science of values,*" or "*the science of wealth.*" The objection to the two latter definitions is that the words "value" and "wealth" are ambiguous, while an exchange is a simple act.

2. OTHER NAMES FOR THE SCIENCE.

In 1803, Jean Baptiste Say, a French economist, named the science "*political economy,*" which has since been its most widely accepted name. Whately proposed to call the science "*catalactics,*" from a Greek verb meaning to exchange. Walker calls it "*the science of wealth.*" Thompson names it "*national economy.*" Many writers treat some of its topics under the name "*social science.*" Macleod has recently suggested the name "*economics,*" which best marks the sphere of the science.

3. DEFINITION OF AN EXCHANGE.

An exchange is the rendering of mutual services.

4. MEANING OF SERVICES.

By "*services*" we mean, in Economics, anything rendered for something in return. Services are either (1) *Commodities*, as coffee, sugar, wheat; (2) *Claims*, as notes, bonds mortgages; (3) *Personal Services*, as of a lawyer, a physician, or a laborer. (1)

5. POSSIBLE CASES OF EXCHANGE.

The only possible cases of exchange are the following six: (1) a commodity for a commodity, as sugar for coffee; (2) a commodity for a personal service, as a gold dollar for legal advice; (3) a commodity for a claim, as a horse for a note; (4) a personal service for a personal service, as a physician's visit for a lawyer's advice; (5) a personal service for a claim, as a day's labor for a dollar bill; (6) a claim for a claim, as a United States greenback for a bond. (2)

6. ANALYSIS OF AN EXCHANGE.

The analysis of any exchange gives us the following elements:—(1) two *persons*, each of whom serves and is served; (2) two *desires*, the desire of each to obtain the service of the other; (3) two *efforts*, the effort of each to serve the other; (4) two *services*, the service rendered by each person; (5) two *estimates*, the estimate of each person on the two services as related to his desires; (6) two *satisfactions*, the satisfaction of each desire. (3)

7. THE THEORY OF EXCHANGES.

Man is a being of desires. His desires can be gratified only by effort. The power of gratifying different desires varies in men. Hence one man estimates the service of another as compared with his own service, and finds a satisfaction in an exchange. This is the foundation of all civilization.

8. TRANSFERS WHICH ARE NOT EXCHANGES.

Economics treats only of exchanges. The central fact in the science is a *sale*. Some transfers of property are not sales, and hence fall outside the province of Economics. Such transfers are (1) the kind offices of friendship and love; (2) lineal inheritance without a will; (3) every form of robbery.

II.

VALUE.

1. DEFINITION OF VALUE.

VALUE is the relation of mutual purchase between two services, established by their exchange. (1)

2. VALUE A RELATION.

It is a popular supposition that value is a *quality* of objects. That it is *not*, may be seen from a simple illustration: A bushel of wheat has the same qualities in Minnesota that it has in New York. The difference in value is found by adding the cost of transportation. If the crop should increase, the value would diminish, yet the qualities of wheat would remain the same.

3. A RELATION OF MUTUAL PURCHASE.

Wheat, for example, has no absolute value, because its value rises and falls according to that of other commodities. If gold is twice as plenty and wheat remains the same in quantity, wheat has twice as much value as before, as related to gold; that is, it will bring twice as much gold. Value is, therefore, a relation of mutual purchase.

4. A RELATION BETWEEN TWO SERVICES.

Wheat might be exchanged for services of any kind. If a farmer were dying, he would give a hundred bushels of wheat for medicine that would save his life. If the physician were starving, he would furnish his medicine for a very small amount of wheat. So of any other forms of service. Value is, therefore, a relation between two services.

5. A RELATION ESTABLISHED BY EXCHANGE.

The relation is not a fixed one, but must be established by exchange. To-day wheat brings \$1.00; to-morrow, \$1.05. So with everything exchangeable. Values fluctuate. Hence value is established by exchange. This illustrates in full the definition of Value.

6. VALUE NOT UTILITY.

Value is often confounded with utility. Water and air are the most useful things in the world, but they ordinarily have no

value. Diamonds and pearls have great value, but almost no utility, as compared with their value. We often hear of "exchangeable value" and "intrinsic value." The former is value proper, the latter is utility. (5)

7. VALUE NOT PRICE.

Value and price are often confounded. Price is value in money. Money is itself a commodity; and, like every other saleable thing, has value.

8. THE MEASURE OF VALUE.

Men have differed widely in their views as to the true *measure* of value. The chief opinions are as follows: (1) Ricardo says it is *labor*; (2) Malthus, the labor which an article can *command*; (3) Adam Smith, *corn*; (4) J. S. Mill, the *cost of production*; (5) Carey, the cost of *reproduction*. (6)

9. THE LAW OF VALUE.

The one universal principle of value is the *Law of Demand and Supply*. Demand is the desire of purchasing something coupled with the power of purchasing it. Supply is any class of exchangeable things offered for sale against money or other exchangeable things. As long as demand and supply are equal values are unchanged. When the demand for anything increases, the supply remaining the same, the value increases. When the supply increases, the demand remaining the same, its value diminishes. To increase the demand or diminish the supply has the same effect upon values. (7)

III.

PRODUCTION.

1. DEFINITION OF PRODUCTION.

PRODUCTION is effort with reference to a sale. As it is the effort to satisfy a desire, it is a creation of value. Only those efforts which aim at a sale are productive. (8)

2. MISUSE OF THE TERM "PRODUCTION."

Many erroneously suppose that production is confined to

making some material substance. They accordingly condemn all men but farmers and miners as non-producers, because these two classes alone add any valuable substances to man's possessions. But, in truth, no one creates. Whoever adds any value to any thing is a producer.

3. CLASSES OF PRODUCERS.

Man's whole effort in creating values consists in modifying that which previously existed. He may modify it in three ways : (1) by *transmutation*, as the farmer by the help of the chemical forces of the earth and air transmutes seeds into vegetables, and these by the help of animal organizations into milk, butter, cheese, meat and leather ; (2) by *transformation*, as the mechanic makes iron and wood into useful articles, and the manufacturer transforms wool and cotton into cloth ; (3) by *transportation*, as the merchant aided by carriers brings together the commodities of the world to the places where they are wanted. (9)

4. CONDITIONS OF PRODUCTION.

The conditions which determine the productions of a country are : (1) the *industrial genius* of a people growing out of their bodily and mental differences ; (2) their *territorial advantages*, as water-power, ore, timber, soil, etc ; (3) *great accidents*, as discoveries in the arts and sciences, wars and persecutions. (10)

5. THE SOURCE OF ALL VALUE.

All value is derived from *productive effort*. Water has no value in the country. It has value in the city, because it has to be brought there. Land has no value in itself. It is worth what it costs to improve it. Land may be had for nothing where there is no civilization. (11)

6. THE ELEMENTS OF PRODUCTION.

The creation of value involves three elements : (1) *natural agents*, or the forces of nature, such as wind, water, steam, metals, land and the domestic animals ; (2) *labor*, or personal human exertion with reference to a sale ; (3) *capital*, or the accumulation of pre-exerted industry, as tools, buildings and money.

7. RELATIONS OF THESE ELEMENTS.

Natural agents are of the greatest utility, but until claimed they have no value. They are equally free in the beginning to

all. Labor alone renders them valuable, as when water-power is claimed and applied, or a machine invented to utilize a natural force. Capital is but the savings from the proceeds of labor. Hence labor is the primary and important element in production. There was no value in the world until it was produced by labor. (12)

8. CONDITIONS OF GREATEST PRODUCTION.

Production attains its maximum under three conditions:—(1) the perfect application of natural agents; (2) a division of labor; (3) the co-operation of labor and capital.

IV.

NATURAL AGENTS.

1. DEFINITION OF NATURAL AGENTS.

BY NATURAL AGENTS is meant everything, outside of man, furnished gratuitously by nature, through which production may be increased or facilitated. These are land, wood, minerals, rivers, lakes and seas, wind, steam, electricity, gravitation, etc. (13)

2. USE OF NATURAL AGENTS.

The principal use of natural agents is *to produce motion*. We have seen that production is but a modification of something by transmutation, transformation or transportation. The essential of all these is motion. (14)

3. HUMAN DIRECTION NECESSARY.

The natural agents are of no value until they are directed to a purpose. Human intervention is, therefore, necessary. Steam cannot draw a train of cars until man makes a locomotive and lays tracks. Wind will not waft the sails of commerce until man can adjust sails to the wind. Electricity will not transmit news until man makes a battery and stretches wires.

1. THE INVENTOR A PRODUCER.

It is clear that he who has found a new way to utilize any natural agent, has created a new value. The inventor is, therefore, a producer.

5. RELATION OF NATURAL AGENTS TO LABOR.

The relation of natural agents to labor may be briefly summed up as follows : (1) they decrease the *amount* of labor in a given form ; (2) they relieve men of the most *difficult* labor ; (3) they elevate the *character* of the labor ; (4) they increase the *rewards* of labor. (15)

6. RELATION OF NATURAL AGENTS TO VALUE.

From the foregoing it is plain that natural agents tend soon to diminish values by increasing the supply. This is a benefit for thus labor is directed into new channels, and new objects of desire are produced. These in turn become cheaper. Thus finally every object of desire is obtainable at a less cost than formerly and may be enjoyed by all. (16)

7. ADVANTAGES OF INANIMATE AGENTS.

Of natural agents, some are animate, as horses and cattle ; others, inanimate, as steam, water-power, etc. The advantages of inanimate agents are as follows : (1) they can, within a small compass, produce a vastly greater *amount of momentum* than animate agents ; (2) they are *continuous*, never needing rest ; (3) they are less *costly* ; (4) they increase *personal safety* ; (5) they do not require the infliction of *pain* ; (6) they do not lose power with the increase of *velocity*, as animals do. (17)

8. THE APPLICATION OF MOTION.

Natural agents, such as the lever, wheel and axle, pulley, screw, wedge, and inclined plane, are useful in applying motion. They offer the following advantages : (1) they change the *direction* of power ; (2) they exchange power for *velocity* ; (3) they increase the *amount* of power ; (4) they aid in performing operations too *delicate* for human touch ; (5) they *accumulate* power ; (6) they *regulate* the application of power. (18)

V.

LABOR.

1. DEFINITION OF LABOR.

LABOR is any human exertion that demands something for

itself in exchange. Effort without expectation of return is not labor in the economic sense. (19)

2. CLASSIFICATION OF LABOR.

Labor may be rudely classified as follows: (1) *common*, as that of railroad laborers, teamsters, and farm-hands, requiring almost no apprenticeship, and receiving the lowest remuneration; (2) *skilled*, as that of carpenters, blacksmiths, and bricklayers, requiring some apprenticeship, and receiving higher remuneration; (3) *professional*, as that of lawyers, physicians and artists, requiring technical and extended preparation, and receiving the highest rewards. (20)

3. DIVISION OF LABOR.

By the division of labor is meant the dividing up of a complex process or employment into particular parts, in such a way that each person employed may devote himself wholly to one section of the process. By such a division each person becomes more efficient and production more profitable. (21)

4. ADVANTAGES OF THE DIVISION OF LABOR.

The advantages of the division of labor are as follows: (1) it gives increased *dexterity*; (2) it secures a better *knowledge* of business on the part of the workman; (3) there is a saving of *time* in passing from one part of a job to another; (4) the *invention* of tools and processes is facilitated; (5) a better *adaptation* of physical and mental abilities is secured; (6) the *power of capital* in production is increased; (7) it shortens *apprenticeship*; (8) *social development* is assisted. (22)

5. THE LIMITATION OF THE DIVISION OF LABOR.

The division of labor cannot be indefinitely extended with profit. The chief limitations are the following: (1) the *extent of the market*; (2) the *nature of the employment*; (3) the *extent of the enterprise*. (23)

6. DISADVANTAGES OF THE DIVISION OF LABOR.

Among the disadvantages of a minute division of labor we may enumerate (1) that it tends to *enervate the laborer* by limiting his bodily activity; (2) that it *contracts the mental powers* by making man a mere machine; (3) that it destroys the *health* and diminishes the population; (4) that it hinders private *individual*

enterprise, and fosters corporate monopolies ; (5) that it *concentrates* the laboring classes into communities which breed labor combinations and strikes, and which may suffer by a sudden calamity. (24)

VI.

CAPITAL.

1. DEFINITION OF CAPITAL.

CAPITAL may be defined as any valuable thing outside of man himself from whose use springs a pecuniary increase or profit. It is always a *product*, and is not capital unless used for the sake of gain. Personal powers are not capital, for they cannot be sold. Their use is sold, and the return is wages. (25)

2. THE FORMS OF CAPITAL.

The most common forms of capital are as follows : (1) *Implements* ; (2) *raw materials* ; (3) *buildings used for productive purposes* ; (4) *permanent improvements in land* ; (5) *investments in aid of locomotion, as railroads and canals* ; (6) *products loaned or rented, or retained for that purpose* ; (7) *most funds intended for wages* ; (8) *the national money*. (26)

3. FIXED AND CIRCULATING CAPITAL.

Capital has been distinguished as "fixed" and "circulating." *Fixed capital* is every kind of property employed in production, which, from its nature, cannot be advantageously changed to any other use than that for which it was originally designed ; as, land, buildings, ships, machines. *Circulating capital* consists of those articles which can be readily changed from one purpose to another ; as, farm-stock, produce, raw materials, money. Circulating capital tends to become fixed, but circulating capital accumulates more rapidly than fixed. (27)

4. THE ORIGIN OF CAPITAL.

The origin of all capital is evident. It is accumulated by saving a part of the proceeds of labor. Hence capital represents

the labor of the past as truly as the workman represents the labor of the present. (28)

5. RELATION OF CAPITAL TO LABOR.

Labor is most productive when aided by capital. Capital depends for increase upon a union with labor. Hence there is no natural antagonism between these chief factors of wealth. They are partners in production. They are also competitors. But they prosper or fail together. (29)

6. COST OF PRODUCTION.

The production of most values involves two elements,—labor and capital. The cost of production, accordingly, varies with the *cost of labor* and the *cost of capital*. This partnership of labor and capital affords the only true solution of the question of wages.

7. COST OF LABOR.

The cost of labor is made up of three elements: (1) *efficiency* of the labor; (2) the *rate of nominal wages* paid; (3) the *cost* to the employer of that in which the wages are paid. (30)

8. COST OF CAPITAL.

The cost of capital is made up of three elements also: (1) the *rate* per cent.; (2) the *time* for which the capital is advanced; (3) the liability of the capital to *wear out*.

VII.

WAGES.

1. DEFINITION OF WAGES.

WAGES are the remuneration of labor. They should, therefore, be proportional to the kind and amount of labor, and are regulated by the supply and demand. Wages reach their maximum when the employer would rather do without the labor than give more; the minimum when the laborer would rather do without any wages than take less.

2. KINDS OF WAGES.

As wages are the remuneration of some form of power, they may be classed according to the powers of man. These are (1) *physical* power, which is nearest in its nature to that of natural agents, most common, and most easily obtained; (2) *mental* power, which is more rare and less easily obtained; (3) *moral* power, which is the rarest and least easily obtained of all, and is in greatest demand, when combined with the necessary mental power, as the guardian of great trusts. (31)

3. NOMINAL AND REAL WAGES.

A distinction should be made between nominal and real wages. Nominal wages are the equivalent in money received by the laborer, while real wages are the equivalent in those objects of desire for which he labors. (32)

4. THE RISE AND FALL OF WAGES.

While wages rise and fall with the rise and fall of commodities, they do not vary in regular proportion. Commodities rise more rapidly than wages and fall less rapidly. The reason of this is that commodities may be held without great loss for a prospective rise, while labor must be sold at the present moment, or so much is lost forever. (33)

5. DISTINCTIONS OF SEX.

Women usually receive about fifty per cent. less than men for the same kind of service. The economic reason is apparent from the following facts: (1) the *numbers* of the sexes the world over are about equal; (2) the *employments* accessible to women are comparatively few; (3) the labor assigned to women is, for the most part, of a more *dispensable character*. The reason of the fact, if not its justice, may now be seen by applying the law of demand and supply. (34)

6. THE WAGE-FUND THEORY.

The wage fund theory is stated by J. S. Mill as follows: "There is supposed to be, at any given instant, a sum of wealth which is unconditionally devoted to the payment of wages of labor. This sum is not regarded as unalterable, for it is augmented by saving, and increases with the progress of wealth; but it is reasoned upon as at any given moment a pre-determined amount. More than that amount it is assumed that the wages-

receiving classes cannot possibly divide among them ; that amount, and no less. they cannot but obtain. So that the sum to be divided being fixed, the wages of each depend solely on the divisor—the number of participants.” (35)

7. OBJECTIONS TO THE THEORY.

The following objections are brought against this theory : (1) wages are not generally paid out of capital ; (2) wages are paid out of the product of industry ; (3) capital is not a measure of wages ; (4) wages do not always fall with an increase of laborers. The theory was abandoned by Mill. (36)

8. THE IMPROVEMENT OF THE LABORER'S STATE.

The condition of the laborer may be improved only by increasing his power of competition. This may be assisted (1) by *frugality*, which enables him to withhold his services without starving ; (2) by *education*, which enables him to watch his own interests, employ his savings as capital, offer his services where they will be best rewarded, and increase the efficiency of his labor ; and some would add (3) by *combination* for mutual protection. This last method will be considered by itself.

VIII.

LABOR COMBINATIONS.

1. THE RIGHT OF LABORERS TO ASSOCIATE.

The capitalist and laborer are alike citizens, and as such, should enjoy equal rights. If capitalists may associate for gain, so may laborers. If capital may incorporate itself, so may labor. Many combinations of laborers have been formed for mutual benefit.

2. TRADES-UNIONS.

A Trades-union is an association of operatives for the protection of their trade and the increase of their wages. They, in general, aim (1) to fix the *rate of wages* ; (2) to limit the *hours of*

labor ; (3) to support *those who are idle* during strikes. Sometimes they attempt (1) to punish *delinquents* according to their own laws ; (2) to *compel others* to join their body or desist from labor ; (3) to limit the number of *apprentices* ; (4) to *force their employers* to increase their wages or submit to violence. (37)

3. THE RIGHTS OF TRADES-UNIONS.

There can be no doubt that such associations have the right to combine for the first class of purposes. If one man has a right to do things, ten men have ; and so an indefinite number. But it is equally clear that these combinations transcend both civil and moral law when they attempt to accomplish the second class of purposes. (38)

4. THE EXPEDIENCY OF TRADES-UNIONS.

There is some doubt of the expediency of such combinations for the laborer. The following facts should be considered : (1) the organization is attended with considerable *expense* ; (2) the laborer loses his *liberty* by putting himself in the hands of others ; (3) such organizations break down *confidence* between labor and capital ; (4) wages cannot be *permanently raised* by such means. (39)

5. THE HOURS OF LABOR.

Movements have been made to fix the hours of labor by law. The impediments to this are (1) its effect upon capitalists, who would lose by their capital remaining idle ; (2) its effect upon workmen, many of whom work by the piece ; (3) the fact that government can not rightly interfere contrary to the wishes of either employer or employe. (40)

6. EQUALIZATION OF WAGES.

Some labor associations, and among writers John Ruskin, insist that all persons of the same trade, skillful or unskillful, industrious or indolent, should have equal wages. The result of this would be (1) that the *unskilled would find no employment* ; (2) that *apprenticeship would be too costly* for young men ; (3) that the trades so regulated would become a *monopoly* ; (4) that there would be no *motive for improvement* beyond mediocrity. The only fair principle of compensation is, to pay according to the quantity and quality of the work.

IX.

PROFIT, INTEREST AND RENT.

1. PARTIES COMBINED IN PRODUCTION.

As laborers do not often possess much capital, and capitalists do not always possess business enterprise, a third class of men engage in the union of capital and labor. These are employers. The parties to production are, then : (1) the *laborer*, (2) the *capitalist*, and (3) the *employer*. (41)

2. DEFINITION OF PROFITS.

The share of the product which falls to the manager of an enterprise, or the employer, is called "*profits*." This term does not include interest or rent.

3. THE RATE OF PROFITS.

The rate of profits depends upon the law of demand and supply. The tendency of profits is to become lower as society advances. The tendency is owing to three principal causes : (1) the *acceleration of exchanges* ; (2) the *increase of qualified business men* ; (3) *increased facility in the transmission of intelligence*. (42)

4. DEFINITION OF INTEREST.

Interest is what is paid for the use of money. The right to take interest has been questioned, and the practice has been stigmatized. The right is based upon the equivalence of services.

5. THE RATE OF INTEREST.

The rate of interest depends upon (1) the *productiveness of labor* in the place where the capital is used, for the interest must be taken out of the profits ; (2) the *supply of capital* and the demand for it.

6. REASONS AGAINST USURY LAWS.

Usury laws attempt to fix the rate of interest by statute. They are objectionable on the following grounds : (1) they in-

fringe the evident right of free exchange ; (2) they may be avoided by trickery ; (3) they create unfair distinctions between borrowers. (43)

7. DEFINITION OF RENT.

Rent is what is paid for the use of land or any form of fixed capital. These forms of property are generally real-estate. Rent implies two things :—(1) *ownership*, and (2) *society* ; for land, being originally a gift of God, would have no value if there were no competition for its possession. (44)

8. CIRCUMSTANCES AFFECTING RENT.

Rent is affected by the following circumstances :—(1) *location* ; (2) *fertility* ; (3) *population* ; (4) *application of capital* ; (5) *appendages*. (45)

X.

TRADE.

1. DEFINITION OF TRADE.

The technical term for the sum of all exchanges is “trade.” It is founded on a diversity of desires and a diversity of powers to gratify them. (46)

2. KINDS OF TRADE.

Trade may be divided according to several principles. According to the *quantity* of goods handled, it is wholesale or retail ; according to the *articles* handled, it is the iron, cotton, or shoe trade, etc ; according to the geographical *extent* of the trade, it is domestic or foreign ;—the latter being generally called *commerce*.

3. THE AMOUNT OF TRADE.

The amount of trade done by any community may be measured in the following manner : (1) the *entire* trade is the aggre-

gate surplus products of all the people *severally* ; (2) the *foreign* trade is the aggregate surplus products of all the people *collectively* ; (3) the *domestic* trade is the *entire* trade minus the *foreign*. (47)

4. CHARACTER OF A PEOPLE'S TRADE.

As a rule those will trade most with one another whose products are most different. The character of a people's trade is determined by the following conditions : (1) *soil and physical conformation* ; (2) *climate* ; (3) *social condition* ; (4) *difference of race*.

5. TERRITORIAL DIVISION OF LABOR.

Each nation has its natural advantages. China is adapted to tea and silk ; Cuba, to sugar and fine tobacco ; England, to useful manufactures ; the United States, to the growth of cotton and grain and almost every industry. Production, trade, and human happiness, are all promoted by assigning to each land its appointed kind of usefulness. (48)

6. ADVANTAGES OF TRADE.

The following are some of the advantages of trade between states and nations : (1) every nation may *enjoy* the products of the whole world ; (2) every nation becomes *wealthy* by disposing of its surplus products ; (3) every nation becomes *interested* in every other nation ; (4) *wars* become unprofitable, and the federation of the world is secured.

7. PHYSICAL IMPEDIMENTS TO TRADE.

Trade is obstructed by such barriers as seas and mountains. All such may be summed up in one word—*location*. Space and resistance must be overcome in order to distribute commodities. Every improvement in transportation brings all producers nearer to a market. The sea which separates, also unites by its waters, if we can only sail them ; even the mountain, which obstructs, assists with its treasures of coal and iron, if we can only mine them. (49)

8. LEGAL IMPEDIMENTS TO TRADE.

Government sometimes interferes with trade for four purposes : (1) to raise a *revenue* ; (2) to *encourage* certain industries

at home ; (3) to *maintain* existing forms of industry ; (4) to secure commercial *independence*. These purposes may be reduced to two : (1) to *support itself* ; (2) to *protect certain industries*. The first we shall consider under the head of Taxation ; the last in the following lectures on Protection and Free Trade.

XI.

PROTECTION.

1. DEFINITION OF PROTECTION.

PROTECTION may be defined, "the establishment on foreign-goods of such duties as are designed to cherish special forms of domestic industry." Such duties are not designed for revenue.

2. REASONS FOR PROTECTION.

The following are the principal arguments adduced by its advocates in favor of protection : (1) It is the duty of a state to promote the largest and fullest existence possible, and the free *development* on all sides of the *national life*. (2) In *peace* a nation should prepare for war. (3) *Discrimination* in favor of home manufacturers is *justified* by the heavy demand of government upon them. (4) Protection is a wise economy of the *labor* of a people by giving work to all. (5) Protection benefits the *farmer* by raising the price of his products. (6) It reduces the *commercial* class, turning transporters into direct producers.

(50)

3. OBJECTIONS ANSWERED.

Protectionists answer objections to their theory as follows :

1) *Objection*. "Protection discriminates against the consumer in favor of the producer." *Answer*. "If there is any consumer who is not a producer, he is insignificant." (2) *Objection*. "It is everyone's interest to buy in the cheapest market and sell in

the dearest." *Answer.* "By buying in the cheapest market he loses his dearest market." (3) *Objection.* "Protection sets aside the natural advantages of a country." *Answer.* "The balance of nature has been destroyed by the older countries having the factories and compelling the younger to bring raw materials from great distances." (4) *Objection.* "Protection simply changes the direction of capital, without changing its amount or efficiency." *Answer.* "Capital increases under protection, and declines in its absence." (5) *Objection.* "Protection does not protect." *Answer.* "This is denied." (6) *Objection.* "Protection discriminates against the poorer and more thinly populated districts in favor of the older and richer." *Answer.* "It does not discriminate against the farmer." (7) *Objection.* "The doctrine of protection leads on logically to the platform of the Communists." *Answer.* "Its chief advocates have not been communists, and communism is a perversion of state interference in business transactions." (51)

XII.

FREE TRADE.

1. DEFINITION OF FREE TRADE.

FREE TRADE opposes protection, but does not oppose low duties levied for revenue. It may, therefore be defined, the removal of all discrimination of a governmental nature between exchanges, except for revenue.

2. REASONS FOR FREE TRADE.

The following reasons for free trade are offered by its advo-

cates: (1) Free trade would bring the *production* of the world to its maximum. (2) Free trade is in accordance with the *natural indications* of Providence. (3) Free trade means *abundance and cheapness*, while protection means scarcity and dearth. (4) Free trade fully recognizes the rights of *private property*, while protection, by curtailing, virtually denies them. (5) Free trade allows a natural and stable *cost of production*, while protection enhances and hazards it. (6) Free trade is the friend of the *laboring classes*, while protection is their enemy. (7) Free trade has the *sanction* of all ages of the world, while protection is at once a novelty and a decrepitude. (8) Free trade is in harmony with the *spirit of progress*, while protection is directly opposed to it. (52)

3. ALLEGED FALLACIES OF PROTECTION.

The advocates of free trade claim that the principal arguments of protectionists are fallacious. Walker assails the following propositions as fallacies: (1) That it is good policy to protect *a manufacture in its infancy* until it is well established, because it will then take care of itself and confer great wealth upon the country. (2) That protection especially develops *manufactures*; and manufacturing countries are found to be in fact richer than those more exclusively agricultural. (3) That *high tariff duties*, by excluding foreign commodities and causing their production at home, *raise the rate of wages*, and thus benefit the laborer. (4) That the introduction of *foreign fabrics* that come into direct competition with our own must *reduce the American* to the same miserable condition as the foreign laborer. (5) That a *home market* should be created for agricultural products by restricting the importation of manufactured articles and causing their production in this country. (6) That the exportation of breadstuffs, cotton and other agricultural products fatally *exhausts the soil*, and therefore a home market should be created that this may be prevented. (7) That the *home capitalist* is especially benefited by protective duties which shut off competition with the cheaper capital of the foreigner. (8) That unrestricted trade benefits the *mercantile* and trading classes only, at the expense of all others. (53)

XIII.

MONEY.

1. DEFINITION OF MONEY.

Money is a commodity used as a medium of exchange and a standard of value. Its functions are two : (1) to circulate as a medium of exchange : and (2) to serve as a standard of value. (51)

2. THE MATERIAL OF MONEY.

Whatever is used as money must have value, and ought to have fixed value. This last is impossible, as the value of every thing changes with supply and demand. Cattle, hides, shells, bullets, salt, tobacco, etc., have been used as money, but gold and silver have been generally adopted. "Paper-money," as it is called, will be treated of in its own place. It is not strictly money, but a promise to pay money. (55)

3. ESSENTIALS OF A GOOD MEDIUM.

A good medium of exchange must possess three qualities : (1) *uniformity* of value ; (2) *durability* ; (3) *portability*.

4. ESSENTIALS OF A STANDARD.

As a standard of value, money must possess, in addition to the quality of uniformity of value, (1) *divisibility* into lower denominations ; (2) *currency* in all parts of the world ; (3) *sufficiency* of quantity to meet the wants of traffic where small sums are required.

5. ADVANTAGES OF GOLD AND SILVER.

The precious metals, gold and silver, have the following advantages as money : (1) they possess *value* ; (2) they are *stable*, or nearly so, in value ; (3) they are comparatively *portable* ; (4) they are *malleable* ; (5) they are of *uniform quality* ; (6) they are

readily *alloyed or refined*; (7) they are *nearly indestructible* by accident; (8) they are *universally appreciated*; (9) they are *generally diffused*; (10) they are *sufficiently plentiful*; (11) they are *nearly inconsumable* by use. (56)

6. COINAGE.

The precious metals were originally exchanged in bars or ingots by weight. Convenience is promoted by coinage, or the authorized manufacture of the metals into units of value, and multiples and divisors of those units. This involves three things: (1) *fixing the unit*; (2) determining the amount of *alloy*; (3) *stamping the coin* with a government mark. The proper business of government in coinage is to fix the unit, and certify by its stamp that each coin is what it purports to be. Government cannot impart any permanent value to a coin, except under the law of supply and demand. (57)

7. THE DEBASEMENT OF COINAGE.

Government sometimes attempts to debase the coinage by using a baser metal than the world's standard, either wholly, as in the substitution of a baser metal for gold, or in part as in the case of an increased alloy. This simply lowers the value of the denomination. (58)

XIV.

BI-METALLISM AND MONO-METALLISM.

1. TERMS EXPLAINED.

The terms *bi-metallism* and *mono-metallism* are of recent origin, and may be explained as follows: Bi-metallism is the doctrine that the two precious metals, gold and silver, should

circulate side by side, as legal tenders for any amount. Monometallism is the doctrine that gold, as the only recognized standard of the world, should be the only legal tender for all sums, except a few dollars.

2. ADVANTAGES OF BI-METALLISM.

The advantages of using both metals are said to be as follows: (1) gold alone does not furnish sufficiently *small denominations* for small transactions, while silver does; (2) the appreciation of gold is so great as to do *injustice to debtors* who contracted debts in greenbacks; (3) the *silver mines*, if silver be in demand, become a source of national wealth.

3. OBJECTIONS TO BI-METALLISM.

The following objections may be urged against a double standard: (1) silver *fluctuates* more than gold; (2) a double standard *wrongs creditors* by paying debts in a debased coin; (3) the *demonetization of silver* by England, Germany, and the Latin Union, renders silver of a less certain value.

4. GRESHAM'S LAW.

Sir Thomas Gresham, a financier of the time of Queen Elizabeth, laid down the following law: "An inferior money, so long as it circulates at all, drives a superior money out of the circulation." The law rests upon the following facts: (1) men will pay their debts in the cheaper money, and hoard the better; (2) they will be compelled to pay all foreign bills in gold. (59)

5. ADVANTAGES OF A GOLD STANDARD.

The advantages of a gold standard are as follows: (1) gold *fluctuates* in value *least* of all the metals; (2) gold is *current* the world over; (3) a gold currency renders *trade steady*, and inspires commercial confidence.

6. THE SOLUTION OF THE PROBLEM.

All the conditions of the case are met by the following plan: (1) let gold be the sole standard of value and legal tender for all large sums; (2) let silver or paper dollars be issued by the Government redeemable in gold on demand; (3) let silver be legal tender for all sums under five dollars.

PROMISES TO PAY.

1. THE NATURE OF CREDITS.

We have considered the exchange of personal services and commodities, but not that of claims. All these are property and so may be exchanged. *Commodities* are property in the production of the past; *personal services*, in that of the present; *claims*, in that of the future. A claim is called a *credit*, from *credo*, I believe, because it implies a belief in a future return. The liability to meet a claim is called a *debt*, from *debeo*, I owe, because it implies an obligation to render a service. Credits are of two kinds: (1) *promises to pay*, and (2) *orders to pay*. Promises to pay are as follows.

2. KINDS OF PROMISES TO PAY.

1. BOOK ACCOUNTS.—These are the simplest form of promises to pay. Their disadvantages are as follows: (1) to the *seller*: (a) he loses for a time the use of his capital; (b) he cannot ordinarily use the claim in gaining a credit with another; (c) he is liable to trust persons beyond their ability to pay; (2) to the *buyer*: (a) he is often charged an extra price; (b) such debts accumulate beyond expectation; (c) he has less satisfaction than in making separate exchanges. (60)

2. PROMISSORY NOTES.—These are promises to pay after a given date, commonly with interest. They are negotiable, when drawn to order, on the payee's endorsement. The promissory notes of governments and corporations are usually called *bonds*. *Greenbacks* are legal tender promissory notes issued by the Government, without interest.

3. BANK BILLS.—These differ from ordinary promissory notes in not bearing interest, in being redeemable in legal tender on demand, and in being secured by bonds deposited with the Government.

4. BANK DEPOSITS.—A deposit does not signify in banking something left for safe keeping, but a right to draw on a

bank for a given amount of money. The ownership of the thing deposited passes over to the bank, and a claim is given for it.

5. **BANK DISCOUNTS.**—The banker buys a note for less than its face value, and pays cash for it. He does not strictly lend money, he buys credits for gain. Discounts is the difference between the face and the price of a claim. The banker who buys the note owns a claim on the maker of the note or its endorser equal to its face. (61)

XVI.

ORDERS TO PAY.

1. KINDS OF ORDERS TO PAY.

1. **CHECKS.**—A check is a written order on a bank or a person directing the payment of a sum of money to the bearer or person named in the order. Checks are very convenient in the business of exchange as they obviate the handling of large sums of money. A check should always be drawn to some one's order.

2. **BILLS OF EXCHANGE.**—A bill of exchange is a written instrument designed to secure the payment of a debt at a distance without the transmission of money. Bills of exchange are the principal means of balancing debts.

3. **CIRCULAR LETTERS OF CREDIT.**—These are orders issued by bankers in one country on associated banks in another country, directing them to pay to the person named in the letter such sums as the person accredited may need at that time and place when and where the demand is made. (62)

2. THE EXTINGUISHMENT OF CREDITS.

Credits are extinguished in three ways: (1) by the *payment* of money; (2) by giving a *new credit* for an old one; (3)

by *setting off opposite accounts*, as in book accounts and clearing-houses. (63)

3. THE ADVANTAGES OF CREDIT.

The advantages of credit are as follows: (1) credit puts capital into the hands most likely to use it productively; (2) credit affords great facilities for adjusting the accounts of the world's commerce; (3) credit, to a great extent, dispenses with the use of metallic money, the cost of transporting which would be considerable, besides the risk. The business done in a single year at the New York Clearing House, if transacted in silver dollars, would require 219,192 cart-loads of silver, containing 1,000 lbs. each. The business done in a single day would require over 700 such carts, a train over a mile long.

4. DISADVANTAGES OF CREDIT.

There are the following disadvantages of credit: (1) by misplaced credit, capital may be lodged in the hands of the unproductive consumer; (2) uncertain credits may be the cause of a commercial crisis. (64)

XVII.

BANKS.

1. THE ORIGIN OF BANKS.

The word "bank" originally meant a mass, an accumulation. It was first applied to a commercial institution in Venice, in 1171, when the Republic raised a loan by requiring from each citizen one per cent. of all his property, on which he received

five per cent. interest. In the fifteenth century, such institutions became common, and have developed into the modern bank.

2. THE FUNCTIONS OF A BANK.

These are four: (1) it *discounts* mercantile paper in cash or credit; (2) it is a firm for *issuing* paper promises to pay; (3) it is a place of *deposit* for funds; (4) it is a *clearing-house*.

3. COLONIAL BANKS.

The earliest banking houses in this country were the land-offices of the colonial government, which loaned their paper issues on bonds and mortgages.

4. THE BANK OF NORTH AMERICA.

This institution went into operation in 1782, in Philadelphia, under a charter of the State. It was so useful that when its charter was withdrawn by a rural opposition to it, it did business without a charter, and the charter was restored in two years. Banks were soon after opened in Boston, New York, and Baltimore.

5. FIRST BANK OF THE UNITED STATES.

This was chartered by Congress in 1791, on the proposition of Alex. Hamilton. A wish to deprive the general government of excessive power, led to its abolition on the expiration of its charter in 1811. At this time there were some local banks with State charters.

6. THE SECOND UNITED STATES BANK.

This was chartered in 1816, and continued until 1836. It was opposed by Jackson. Its history is the theme of a bitter controversy. Its dissolution was followed by the crisis of 1837.

(65)

7. THE LOCAL BANKS.

From 1836 to 1863 there was no national banking system. Each state chartered as many banks as it pleased. The system had the following faults: (1) the banks were unequally *distributed*, banking being free in some states and a monopoly in others; (2) the *supervision* of their management was imperfect, and the banks were constantly breaking; (3) the *uncertainty* of their solvency

rendered the banks of only a local value, their bills being at a discount, except at home. (66)

8. THE NATIONAL BANKING SYSTEM.

The present national banking system was introduced by Salmon P. Chase, to meet the financial necessities of the country during the Rebellion. All the banks of issue in the United States are national banks. Their notes are redeemable in greenbacks or coin, and are secured by deposits of the United States bonds at the United States Treasury. Their sources of income are the interest on their bonds, their discounts and collections. They are generally solvent; their money is national in its distribution and at par with greenbacks, and they are under governmental supervision. One disadvantage is that they are unequally distributed, being numerous in the East, and few in the West. This explains the Western demand for inflation, as a new country requires capital for its development. The national banks number about 2000. (67)

XVIII.

THE NATIONAL CURRENCY.

1. THE KINDS OF NATIONAL CURRENCY.

The present national currency of the United States consists of (1) *greenbacks*, paper promises to pay, issued by the Government, without interest, and without date of redemption; (2) *national bank notes*, secured by the United States, redeemable in legal tender, and certified by the Government; (3) *gold coin*, whose unit is the dollar of 23.22 grains; (4) *silver coin*, whose unit is

the dollar of $412\frac{1}{2}$ grains; (5) the silver dollar of 420 grains, called the *trade dollar*, designed for foreign trade; (6) *certificates of deposit*, issued at the mint, and redeemable in coin.

2. THE SECURITY OF NATIONAL BANK NOTES.

Some anxiety has been felt about the final payment of these notes. It is claimed that immediately before the panic of '73, all the banks of the country held in legal tender but 13.6 per cent. of their liabilities on demand. This is represented as the cause of the panic. In reply, it may be said (1) that this percentage compares favorably with that of the average legal tender funds in banks in this country for the forty years previous; and (2) that the national bank bills never fell below par with greenbacks.

3. CAUSE OF THE PANIC OF '73.

The chief financial cause of the disaster was the instability of the national currency, resulting from a want of uniformity in its value. For ten years there had been no fixed standard of value in this country. Men who contracted to pay \$1,000 when a greenback dollar was worth 35 cents in gold, were obliged to pay \$2,000 when a greenback dollar was worth 70 cents in gold, for greenbacks were relatively twice as hard to obtain. While gold was thus fluctuating, no man in extensive business knew how much he owed. Debts were easily contracted, but could not be easily paid. The failure of a few financial princes revealed the insolvency of many, and general distrust at once precipitated the crisis.

4. INFLATION OF THE CURRENCY.

As money was at once hoarded because of the general alarm, there was a loud demand for new issues of greenbacks. In 1860, there was 490,000,000 of currency to $31\frac{1}{2}$ millions of people, and there was no complaint of insufficient currency. In 1870, there was needed at the same ratio, less than 600,000,000 to $38\frac{1}{2}$ millions of people. Instead, there was 1285,000,000, or twice as much money to each person as in 1860.

5. THE REMEDY FOR THE TROUBLE.

So far as the remedy was financial, it was a return to

a metallic standard of value, and a uniform currency. The currency need not be metallic, but it must be instantly redeemable on demand. As gold is less variable than silver, the standard should be gold, the money of the world.

XIX.

TAXATION.

1. THE GROUND OF TAXATION.

Every organized society possesses a government. This, in its legislative, judicial and executive functions, assumes the protection of persons and property. Taxation is the plan of government to compensate itself for this service. Government assumes the authority of regulating the amount, the kinds, and the methods of taxation, and the minority must conform to the decisions of the majority. (68)

2. PRINCIPLES OF TAXATION.

The following principles, laid down by Adam Smith, have been generally accepted as axiomatic : (1) The subjects of every state ought to contribute to the support of the government, as nearly as possible, in *proportion* to their respective abilities ; that is, in proportion to the revenue they enjoy under the protection of the state. In the observance or neglect of this maxim consists what is called the equality or the inequality of taxation. (2) The tax which an individual is bound to pay ought to be *certain*, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought to be *clear and plain* to the contributor and every other person. (3) Every tax should be levied at the time and in the manner which is most likely to be *convenient* to the contributor to pay it. (4) Every tax ought to

be so contrived as to *take out* and *keep out* of the pockets of the people *as little as possible*, over and above what it brings into the treasury of the state. Walker would add (5) The heaviest taxes should be imposed on those commodities, the consumption of which is especially *prejudicial* to the interests of the people. (69)

3. KINDS OF TAXATION.

Taxes are imposed in two principal ways: (1) *indirectly* and (2) *directly*. Indirect taxation consists in raising a revenue by requiring a payment to the government on articles produced or imported, and such taxes are either *port duties* or *internal revenue taxes*. Direct taxation consists in requiring direct payment from each person of a *capitation* tax, or an *income* tax, or a *property* tax.

4. ADVANTAGES OF DIRECT TAXATION.

The advantages claimed for the indirect method are: (1) indirect taxes are not paid in *large* sums, but in very small ones; (2) they are not *felt to be severe*, because included in the price of the article; (3) they are generally laid upon articles of *luxury*, and so are paid by those most willing to pay them.

5. DISADVANTAGES OF INDIRECT TAXATION.

The following disadvantages are claimed: (1) they impose a *burden* which is none the less heavy because it is not known; (2) it is desirable for people to know *how much* they pay for government and *why* they pay it; (3) they do, in many ways, *bear as heavily upon the poor as upon the rich*, while the rich have more interests protected; (4) the indirect tax is made a *basis of profit* by dealers, so that government finally gets only a part of what is paid as taxes.

6. ADVANTAGES OF DIRECT TAXATION.

Any very large capitation tax is manifestly unjust. The advantages of a property and income tax may be considered separately. Of a *property tax*, they are: (1) the tax falls on those *most able* to pay; (2) on those *most protected*; (3) on those most able to *direct its use*; (4) on that which may be *fairly estimated*. Of an *income tax*, they are: (1) the tax falls on those really most *prosperous*; (2) on those most *indebted* to government.

7. DISADVANTAGES OF DIRECT TAXATION.

Against the *property tax* it is objected (1) that it must finally be *paid by the poor*, as tenants to landlords; (2) that it is liable to *false estimation*. Against the *income tax*, (1) that it is *inquisitorial*, prying obnoxiously into a man's private affairs; (2) it is easy to *evade* by false returns; (3) equal assessment of *temporary and permanent incomes* is unfair.

XX.

NATIONAL DEBTS.

1. ORIGIN OF NATIONAL DEBTS.

In times of peace the annual taxes should meet the current expenses of government. Wars, however, generally fix debts upon a nation. This is sometimes skillfully avoided. Prussia avoids it by increased taxation. The long wars of Frederick the Great left no debt. An increase of one-third in the taxes during our Civil War would have left the nation without indebtedness. Political reasons usually prevent the payment of current expenses; for taxes dampen martial enthusiasm. (70)

2. THE MODERN FINANCIAL SYSTEM.

This began with William of Orange (1689) when he became King of England. He borrowed money to fight France, and England has had a national debt ever since. Previously men had no confidence in government loans. William borrowed for a specified time, and pledged the public funds for security. The Bank of England and a land-tax completed the system. England now owes a debt of over 800,000,000 pounds, which will probably never be paid. (71)

3. IS A NATIONAL DEBT A BLESSING?

The payment of England's debt is objected to, and the debt itself is claimed as a blessing, on the following grounds: (1) capital is worth more than the three per cent. paid on the debt; (2) its wide distribution imparts stability to the government by unifying interests in it; (3) it is an impediment to expensive wars. On the other hand, it may be answered: (1) Government does not make three per cent. out of the loans, for these have been consumed in past expenses, the interest on which must be paid by taxation, and, if money is worth more than three per cent., it might be used to better advantage; (2) the holders of the debt are so small a minority that they give little stability to the government, while the taxes required to pay the interest excite general dissatisfaction; (3) a debt is an impediment to industrial and commercial progress and to necessary self-defense, as well as to expensive wars. (72)

4. THE EVILS OF A NATIONAL DEBT.

A national debt has the following attending evils: (1) it extends the *war-system*; for an indebted nation is a natural prey and must ever be on the defensive; (2) it threatens the *national existence* in times of peril, by crippling its resources; (3) it *impoverishes the masses*, on whom the burden of taxation finally rests.

5. CAN A NATIONAL DEBT BE PAID?

The United States debt on Jan. 1., 1872, was \$2,300,000,000, \$400,000,000 of which bore no interest. With such data, an appropriation of \$150,000,000 yearly for the payment of principal and interest, would liquidate the debt in 33 years and 10 months, or in 1905. The interest actually paid was \$125,000,000. \$25,000,000 more annually would pay the debt in the time stated. This would be $62\frac{1}{2}$ cents per year to each inhabitant, reckoning the population at 40 millions. But the average will be 50 millions, or about 1 cent per week for each inhabitant.

POPULATION.

1. THE THEORY OF MALTHUS.

At a time when local facts gave plausibility to his doctrines, the Rev. Thomas Malthus (1798) advanced the following dismal theory: The productiveness of the earth being limited, and the increase of population being unlimited but having annually a greater ratio, there will come a time when destitution and famine will become universal. The theory is based upon false assumptions as regards (1) *Subsistence*, (2) *Population*, and (3) the *Relation between them*.

2. SUBSISTENCE PROGRESSIVE.

That subsistence is progressive rather than stationary is evident from the following facts: (1) much of the best land in the world is still uncultivated; (2) by means of scientific agriculture the productiveness of land may be vastly increased; (3) productiveness has increased with population and wealth; (4) intelligence and necessity devise numerous ways of avoiding waste. (73)

3. POPULATION NOT NECESSARILY PROGRESSIVE.

It is a well known fact that the reproductiveness of the race diminishes under conditions of civilization, and also that longevity is constantly declining. Moral as well as physical causes also tend to diminish reproduction. (74)

4. THE RELATION BETWEEN SUBSISTENCE AND POPULATION.

It being evident that subsistence is not stationary but progressive, and that population is not necessarily progressive, but may become practically stationary at a certain point, the theory that population will ever exceed the supply of food is wholly imaginary. The fact seems to be that the ratio of human increase is becoming less while that of commodities of all kinds is growing greater.

5. IMMIGRATION.

The effect of immigration depends upon (1) the *supply of food* in proportion to the population, and (2) the *resources* of the country. If the agricultural resources are not brought to their highest point of productiveness, immigration may be desirable, even when the supply of food is too small. The effect of immigration in this country has been (1) to *developed its resources*; (2) to *increase the real wages* of all classes; (3) to *elevate natives* to more desirable forms of effort; (4) to *advance the country* to a higher national position in wealth, population and intelligence.

XXII.

CENTRALIZATION AND COMMUNISM.

1. THE THEORY OF CENTRALIZATION.

It is a favorite doctrine with some theorists that wealth attracts wealth and will continue to do so in an increasing ratio, until the wealth of the country, and even of the world, will be centred in a few powerful families, the Rothschilds and Astors of the future. It is claimed that while the tendency of the rich is to become richer, the fate of the poor is to remain poor, until the moneyless many shall become the serfs of the affluent few. This theory deserves examination.

2. THE FORCES OF CENTRALIZATION.

It is claimed that in the present organization of society, everything favors centralization; as, (1) the power of *capital* to multiply itself; (2) the *perpetuation of estates* by observing primogeniture in inheritance; (3) the uniting of vast estates through

matrimony ; (4) the *legislative influence* which money so easily commands ; (5) the consequent growth of vast *legalized monopolies*. (75)

3. THE FORCES OF DECENTRALIZATION.

On the contrary, it is urged that there are certain forces in this country which wholly neutralize the forces of centralization. These decentralizing forces are : (1) the *unproductiveness of investments* too great for individual management ; (2) vast estates in this country are often *dissipated* in a few generations ; (3) an aristocracy of money does not seek *intermarriage* from the same motive as an aristocracy of blood ; (4) in a country where the majority rule, *legislative corruption*, when once suspected, must be neutralized by the patriotism and interest of an indignant people ; (5) great monopolies which become odious will themselves be suppressed by *popular legislation*.

4. THEORY OF COMMUNISM.

The doctrine of communism, born in the brain of the oppressed toilers of monarchical Europe, and nourished to manly vigor in France and Germany, has landed on the shores of America, and, to many, is a welcome guest. The soul of this theory is the war-cry of Proudhon, that "property is a crime." From this starting point, it proceeds to deny all individual rights of property, and to delegate to the community the distribution of all wealth. It claims that centralization tends to mass property in undeserving hands, and that justice demands an occasional redistribution, so that each may have a share. This phase of the doctrine corresponds to the agrarian demands of the plebeians in ancient Rome. (76)

5. THE PROSPECTS OF COMMUNISM IN AMERICA.

Notwithstanding the threats of agitators, the probability of a communistic revolution in this country is opposed by the following facts : (1) a large proportion of the population, and by far the more influential, are *property holders*, either actual or prospective ; (2) communism is contrary to the spirit of the most potent *educative agencies*,—the schools and the press ; (3) communism is contrary to the *moral conviction* of thousands who are not property holders.

CONSUMPTION.

1. DEFINITION OF CONSUMPTION.

CONSUMPTION, in its economic sense, is the destruction of value. It is not necessarily the destruction of commodities or substances or of their qualities. It is not necessarily such a destruction of value that a new value may not arise from it. It is, however, a destruction of an existing form of value for a variety of ends which will be noticed farther on. The end of all production is some use to which the thing produced may be put, and when it is used it is said to be consumed. It may reappear in other forms, but in losing its present form there is destruction of value.

2. VARIETIES OF CONSUMPTION.

Consumption, or destruction of value, is an unceasing process and is in part the result of natural forces and their laws. If men were to fold their hands and remain idle, certain values would be destroyed. There is, then, what may be called *Involuntary Consumption*. But men are constantly using commodities for various purposes of their own, according to their own wills. This is *Voluntary Consumption*.

3. INVOLUNTARY CONSUMPTION.

There are several kinds of involuntary consumption. They are as follows: (1) *Natural wear* is constantly destroying values by changing the substances to which value is attached. Nothing is exempt from the gnawing of the tooth of time. Rust, abrasion and decomposition are steadily destroying every material thing. (2) *Accidental destruction* must be taken into the account. Fire and water, two helpful servants, sometimes turn on their master and sweep in desolation over his possessions. Other forces of nature sometimes become uncontrollable and millions of dollars worth of property are consumed in a few hours. (3) *Notional*

deterioration, as Roscher calls it, is the destruction of value that results from the notions men have with regard to certain things. Yesterday's newspaper is valueless to-day, except as waste paper. Last year's fashions having passed away, the articles that were held at high prices last year may be had for almost nothing this year. All these destructions of value are involuntary. (77)

1. VOLUNTARY CONSUMPTION.

Most changes of value result from the voluntary uses to which valuable things are put. For the sake of clearness it is best to distinguish between those which relate to the individual and those which relate to the community as a whole.

(1) PERSONAL CONSUMPTION. This may be for either of two distinct purposes. (1) for *reproduction* or (2) for *gratification*. The manufacturer of shoes, for example, consumes leather, cutting it up so as to destroy its value as leather, in order to produce shoes. In the end, however, consumption is for gratification. Shoes would not be made if there were not people to wear them. Thus the final consumption is for personal gratification. This may be utilitarian, as where the articles consumed are intended simply to increase the efficiency of the consumer, or it may be luxurious, as where the articles consumed are intended to give pleasure simply, without regard to any ulterior end. Food and clothing are intended to secure the efficiency of the individual. Delicacies and ornaments are intended simply to give pleasure.

(2) PUBLIC CONSUMPTION. This form of consumption has relation to the community as a whole. It is required (1) for *government*, including the salaries paid to men who are appointed to administer the affairs of state; (2) *public improvements*, such as the making of roads, the bridging of streams, the dredging of rivers and harbors, the erection of public buildings and works, all of which must be managed by the Government rather than by individuals; (3) for the *advancement of science*, which often requires the fitting out of costly expeditions which would be beyond the scope of private means; (4) for the *diffusion of knowledge*, because it is to the advantage of the state as a whole that intelligence should be as nearly universal as possible among the people; (5) for the *care of the distressed*, such as the insane,

the incurable, the idiotic, the poor and the orphaned ; (6) for *national defence*, in order to preserve liberty and a free government and the national rights, when exposed to peril. (73)

5. THE ECONOMIC LAWS OF CONSUMPTION.

There are certain ethical laws that ought to be observed in consumption, but the application of them does not fall strictly within our present sphere. The economic laws that ought to regulate consumption are as follows : (1) all forms of *involuntary consumption* should, as far as possible, be foreseen and avoided ; (2) only such *quantities* of material as the case demands should be used ; (3) no better *quality* of material than is required for the desired result should be used ; (4) all *residual values* should be carefully conserved.

XXIV.

SCHOOLS OF ECONOMICS.

The following outline shows the course of thought on Economics from its beginning as a distinct branch of inquiry.

1. THE MERCANTILE SCHOOL.

In the 16th century the commercial success of Venice and Genoa led rival nations to study the causes of their prosperity. A strong national feeling prevailed in the different states of Europe. The aggrandizement of one's own country was the passion of the age. The possession of money was deemed the highest proof of success. A school of writers sprang up who gave rules for acquiring wealth by foreign trade that would keep money at home. These are called the *Mercantile School*.

2. THE SCHOOL OF ECONOMISTES.

The so-called *Economistes* began with Quesnay, a Frenchman of the time of Louis XV. The Economistes were extremely theoretical. They regarded the powers of the soil as the only source of wealth. The farmer is the only producer. All industries, except the agricultural, are unworthy of a nation's attention. Turgot, the French financier, and Dr. Benjamin Franklin were disciples of Quesnay.

3. THE INDUSTRIAL SCHOOL.

Adam Smith, an Edinburgh Professor, wrote his "Inquiry into the Nature and Causes of the Wealth of Nations" in 1776. He recognizes agriculture, manufacturing and commerce as true sources of wealth. He advances the doctrine called "the let-alone principle," which denies that governments ought to meddle with production in any way. His motto is "Free Competition." Complaint is made by objectors to this view that Smith regards the world as one great family, and not as a group of nations with diverging interests. He is the founder of the *Industrial School*.

4. THE COSMOPOLITICAL SCHOOL.

Smith justly claims the title, "the father of modern Political Economy." His principles with modifications have been generally adopted, and those holding them are now called the *Cosmopolitical School*. Jean Baptiste Say, a French writer (1828) put Smith's doctrines into more systematic shape, and gave them great beauty of form. He called the science "Political Economy," its most widely accepted name. Most of the French and English writers belong to this school.

Rev. T. R. Malthus (1798) aroused great interest by his "Essay on Population." David Ricardo (1817) quickened thought on the subject by his theory of Rent. About 1833 began a series of critical writings by Senior, Tooke, Mill and others. Thornton has attacked the wage-fund theory. In America, Cooper, Wayland, Bryant, Perry, Amasa and Francis Walker have written ably in favor of this school.

5. THE NATIONALIST SCHOOL.

The theory of protection has been espoused by certain writers in America who may be grouped together as the *National-*

ist School. Alexander Hamilton, Matthew Carey, William Elder, E. Peshine Smith, Professor Wilson of Cornell University, and Professor Thompson, of the University of Pennsylvania, are the principal defenders of protection. Henry Carey has written ably on the whole subject of Political Economy, and many of his views have been adopted by numerous writers in Germany. In 1825 Frederick List, while visiting this country, admired the American policy advocated by Protectionists, and returning taught it in Germany. (79)

The tendency of the best economists is critical rather than dogmatic, and all look anxiously to the facts of the present and the future to give an experimental test of their favorite theories.

WORKS OF REFERENCE ON ECONOMICS.

Without pretending to enumerate all the important works, the following short list is offered as containing the books most available to the student :

BIBLIOGRAPHY.

“Guide to the Study of Political Economy,” by Luigi Cossa. [A valuable introductory outline with the names of all the important works in English and the Continental Languages.]

HISTORY.

“History of Political Economy in Europe,” by J. A. Blanqui, translated from the French by E. J. Leonard. [A full and valuable account of the progress of thought on economics from the days of Aristotle. It is weakest in its attitude toward living questions.]

“Principles of Political Economy,” by William Roscher, translated from the German by J. J. Lalor. [This is not professedly a history, but is a discussion according to the historic method and abounds with valuable historic data in the notes. A work of the greatest value.]

STANDARD WORKS.

"An Inquiry into the Nature and Causes of the Wealth of Nations," by Adam Smith. [The first great work on the subject. It is indispensable to a full comprehension of the science.]

"Principles of Political Economy," by J. S. Mill. [According to Cossa, this is the "best English treatise on economics." It is certainly a work of great ability, and cannot be neglected by the thorough student.]

"Some Leading Principles of Political Economy Newly Expounded," by J. E. Cairnes. [This is in part a criticism of Mill's work, but is constructive with reference to several important doctrines.]

"The Theory of Political Economy," by W. S. Jevons. [This is entirely theoretical, advocating the application of the calculus to economic questions. It is useless for any but advanced students.]

MANUALS.

"Manual of Political Economy," by Henry Fawcett, M. P. [This is an admirable compendium of Mill's work, with valuable enrichment from the author's study of contemporary questions.]

"The Science of Wealth," by Amasa Walker. [This is a very clear exposition of the subject, by an American free-trader. The "Student's Edition" is an admirable introduction to economics.]

"An Introduction to Political Economy," by A. L. Perry. [This is a wonderfully fascinating presentation of the elements of economics by an American professor. The definitions are often original and valuable and many of them have been adopted and used in these Notes.]

"The Elements of Political Economy," by Francis Wayland, recast by A. L. Chapin. [President Wayland's book has been widely used as a text-book and has received a thorough revision and rejuvenation that render it very fresh and helpful.]

"Social Science and National Economy," by R. E. Thompson. [No other book so well represents the cause of American Protection. There is much information crowded into the volume.]

MONOGRAPHS.

"Essay on the Principles of Population," by T. R. Malthus. [This celebrated essay has given rise to much discussion. It suggested to Darwin his theory of "the struggle for existence." It has a double interest to every thinker.]

"On Labour," by W. T. Thornton. [Cosso says: "It is an excellent work. It made a great impression on Mill, and induced him to abandon his theory of the wages fund."]

"Money and the Mechanism of Exchange," by W. S. Jevons. [A clear and interesting monograph on the subject.]

"Money," by Francis A. Walker. [A valuable work by a former Yale professor and Superintendent of the United States Census.]

"The Wages Question," by Francis A. Walker. [An excellent discussion of the problems of labor and its remuneration, full of interesting facts.]

"Communism in America," by H. A. James. [A Prize Essay, presenting in brief outline the theories and history of Communism.]

"A History of American Currency," by William G. Sumner. [A helpful compilation of facts relating to the history of the Currency in this country.]

"Progress and Poverty," by Henry George. [A vigorously written work, finding a remedy for industrial depressions in the common ownership of land. It is full of information, but one-sided in its conceptions and erroneous in its conclusions.]

READING REFERENCES.

In order to aid the student in comprehending the subject, the following passages have been referred to in the text of these Notes. The numbers used here correspond to the bold-faced numbers at the ends of paragraphs in the text. Where initials are used, P. will stand for Perry, T. for Thompson, W. for Walker and Way. for Wayland, the references being by pages to the manuals already named.

1 P. 13, 17.—2 P. 18, 19.—3 P. 35, 49.—4 P. 22, 30.—5 W. 27, 31.—6 Carey's "Social Science," 82, 88; and P. 53, 56.

—7 P. 60, 68.—8 P. 70, 71.—9 W. 38, 43.—10 W. 40.—11 P.
 75, 82.—12 P. 73, 75.—13 Way. 32, 34.—14 P. 83; also DeAmici's
 "Paris," 96, 103.—15 P. 96.—16 P. 90, 94.—17 Way. 40, 43.—
 18 Way. 43, 47.—19 P. 94, 95.—20 P. 97, 106.—21 Way. 48, 51.
 —22 W. 46, 51.—23 W. 52.—24 W. 55, 64.—25 P. 113, 114.
 —26 P. 116, 121.—27 P. 122, 123.—28 W. 66; and 33.—29
 W. 34, 36.—30 T. 138.—31 W. 289.—32 W. 279.—33 W. 280,
 282.—34 W. 286; and T. 154, 155.—35 North American Re-
 view, No. 120, 84, 88; and Mill's "Principles," 431, 432.—36
 Walker's "Wages," 144, 151.—37 Walker's "Wages," 392, 396.
 —38 Walker's "Wages," 406, 408.—39 Walker's "Wages,"
 396, 406.—40 W. 302, 309.—41 W. 311, 314.—42 W. 314,
 317.—43 W. 321, 322.—44 W. 325, 326.—45 W. 327, 332.—
 46 Way. 270.—47 W. 88.—48 W. 91.—49 W. 94, 98.—50
 T. 236, 258.—51 T. 268, 278.—52 P. 162, 180.—53 W. 109,
 120.—54 W. 136, 138.—55 P. 186, 189; and 201, 204.—56
 W. 144.—57 W. 145, 146.—58 P. 214, 218; and 23, 234.
 —59 P. 243, 245.—60 P. 274, 275.—61 P. 276, 301.—62 P.
 294, 301.—63 P. 297, 301.—64 W. 152, 161.—65 T. 169,
 186.—66 Way. 337.—67 Way. 339.—68 T. 186, 188.—69
 Smith's "Wealth of Nations," vol. iii, 255, 259.—70 T. 202,
 204.—71 W. 378, 383.—72 T. 204.—73 T. 68.—74 T. 61.
 —75 W. 387.—76 T. 131; and James' "Communism in Amer-
 ica," 21, 36.—77 Roscher's "Principles," vol. ii, 183, 196.—78
 T. 385, 415.—79 T. 16, 31.



LECTURES ON POLITICS.

I.

THE NATURE OF GOVERNMENT.

1. MAN A SOCIAL BEING.

Human beings are born into certain necessary relations with one another. To realize his highest development, man must stand in some relation of dependence. Isolation is helplessness, swiftly ending in destruction. Hence, man is, by nature, a *social* being. He may disregard his social relations, but such disregard is a violation of natural laws, and results in barbarism. He may regard these relations, define them, classify them, and live in accordance with them, and such a course results in civilization. By disregarding these relations, he descends from the plane of manhood, and places himself on the level of the brute. It is only by regarding social relations, therefore, that man can remain human. (1)

2. THE ORIGIN OF CIVIL SOCIETY.

Civil Society is the natural condition into which man is born. It is, therefore, not a voluntary human invention, but a divinely appointed institution, like the family. It did not originate in a *social compact*, or agreement to abandon the solitary state, as Rousseau taught. Legislators and writers sometimes

speaking of a "social compact," as though men at some time had met in convention, and agreed to a limitation of their natural rights. No such compact is known to have been made. It is unhistoric, unnatural, and wholly imaginary. (2)

3. ETHICAL FOUNDATION OF THE STATE.

Every human being is a person and has certain rights. As duties are the correlates of rights, rights cannot exist without duties. Hence men are formed into society with certain rights and duties; *i. e.*, they are born into a moral order, already established by the Creator, not based upon their consent, or expressed in a voluntary social compact. They have the power to know their rights and duties, to feel their obligation to live according to law, and to choose right courses of conduct. Their rights and duties exist independently of their choice. Hence the state, or civil society, into which men are born, is not their creation, but is based on the physical, intellectual and moral constitution of their own nature.

4. THE CONSTITUENTS OF THE STATE.

All the people of the land constitute the state. All come, without their consent, into the social order, by virtue of their birthright in the fatherland. The new-born infant is divinely placed in the state. He is, therefore, born to certain rights and to certain duties. He may not surrender his rights and become a barbarian, or disregard his duties and become an outlaw. Either course is an indignity to his nature as a man. He is morally established in his rights and obligated to his duties by being born into the state. (3)

5. THE ORIGIN OF GOVERNMENT.

A state is not a government. A state ordains a government as an agent for the accomplishment of its ends. It determines what kind of government shall exist, creates it, limits its powers, fixes the period of its duration, changes its form, or abolishes it altogether. Sovereignty resides in the state, *i. e.*, in the people, not in the government. The government is but the expression of the people's will, and is right or wrong as the people follow the ethical laws of their nature. (4)

6. THE END OF GOVERNMENT.

The end of government is *justice*, or equity, among the persons constituting the state. It does not aim at the development of the individual, but at the protection of his rights. It does not create these rights, nor does the state create them. They belong to men by nature. Government can only define and secure to men the rights which they naturally possess. (5)

7. THE FUNCTIONS OF GOVERNMENT.

A state needs laws that shall secure justice to all. These laws must be interpreted and applied, when rights are infringed. The laws must also be executed and enforced. Hence government has three functions: (1) the *Legislative*; (2) the *Judicial*; (3) the *Executive*. (6)

II.

FORMS OF GOVERNMENT.

1. THE GENERIC FORMS OF GOVERNMENT.

The legislative, judicial, and executive functions may be vested in an individual, in a select few, or in the entire people. The generic forms of government are, therefore: (1) the *Monarchy*, or government by one; (2) the *Aristocracy*, or government by a few; (3) the *Republic*, or government by the people. These generic forms admit of many modifications, which must be considered more in detail.

2. THE MONARCHY.

A *monarch* is a ruler having sole authority. If he rules over an Empire, he is called an Emperor, a Czar, or a Sultan; if over a Kingdom, the ruler is called a King or a Queen; if over

a Principality, a Prince ; if over a Grand Duchy, a Grand Duke; if over a Duchy, a Duke ; Monarchies are, as to *form*, either absolute, or limited. In an absolute monarchy, the sovereign's will is law. In a limited monarchy, the province of the monarch is defined in a constitution, either written or traditional. Monarchies are, as to the order of *succession*, hereditary or elective. In a hereditary monarchy, the sovereign inherits his power from the previous sovereign by descent. In an elective monarchy the sovereign is chosen either by the people or the nobles of the land. In some countries, as in France, a *salic law* excludes females from the throne. It is a maxim of the monarchical theory that "the King never dies." When the monarch is removed by death, the heir to the throne instantly succeeds, and the act of coronation is but a ceremony.

3. THE ARISTOCRACY.

This form of government is based on the idea that the best ought to govern. When the principle of distinction is *military power*, it is called a *stratocracy* ; when it is *wealth*, it is called a *plutocracy*. An aristocracy tends toward a monarchy, by centralizing power into a few hands, which makes it easier to be grasped by one. Hence aristocratic governments have usually ended in monarchies.

4. THE REPUBLIC.

When the functions of government are performed by the people directly, the government is called a *democracy*. Such a government is practicable only on a small scale and in a small community. No great nation can maintain this form of government. Popular government is, therefore, usually representative, and its favorite and most perfect form is the *representative republic*. Such is the United States of America. The English government is a blending of the three generic forms. It has a sovereign in the person of the King or Queen. an aristocracy in the House of Lords, and a popular representation in the House of Commons.

5. LIBERTY REALIZED ONLY IN GOVERNMENT.

Sir James Mackintosh justly defines liberty as "*security against wrong* ;" that is, men enjoy liberty only when their rights are secured. Liberty, therefore, involves the necessity of law or

the definition of rights—its application, and its enforcement. Hence liberty cannot exist except where the legislative, judicial, and executive functions are rightly exercised. License, or the removal of all restraints, is the opp site of liberty. Liberty is not freedom to do as we please, but to do as we ought. Government undertakes to define what we ought to do; and, for the protection of others, to compel us to do it. Hence liberty is realized only under a just government. (7)

6. THE MOST PERFECT FORM OF GOVERNMENT.

The end of government is to realize liberty by the establishment of justice. That is the most perfect form of government which most completely accomplishes this end. Any one of the forms described may temporarily secure liberty to all, but they do not all secure it with equal permanence. A monarch may become arbitrary, and enact unjust laws. An aristocracy is likely to legislate against the lower classes. A representative republic, deriving its power from the people, and holding it subject to their approval, is most likely to govern justly: for its preservation of liberty is the only warrant for its continuance.

III.

THEORIES OF REPRESENTATION.

Admitting that a representative republic is the best form of government, the questions at once arise: (1) *On what principle should representation be based?* (2) *Who should have the right of suffrage?* and (3) *How should representatives stand related to their constituency?*

1. THE PRINCIPLES OF REPRESENTATION.

The following principles have been named by different theor-

ists as the true grounds of representation: (1) Government is said to be formed in the representation of *interests*. This doctrine was maintained by John C. Calhoun. To this it may be objected that private rights do not give origin to public rights, but both co-exist independently (2) Government is said to be constituted in the representation of *families*. The family is not a unit in the state, and hence the representation of families would not be a representation of all the political units. (3) Government is said to be constituted in the representation of *numbers*. There is no reason why mere numbers should be taken as the ground of representation, rather than size, weight, or any other physical quality. (4) The representation, it is maintained, should be of certain *capacities or properties* attaching to men. This is the doctrine of J. S. Mill, who holds that the number of a man's votes should be proportional to the dignity of his occupation. This theory ignores the facts that no fair standard of apportionment could be found, and that public rights belong to a man as a *person*, not as a laborer, an artisan or a member of a profession. (5) Government is constituted, in the normal political order, in the representation of *persons*. The end of government is freedom. A person is a free, self-determining being, capable of choices, and exercising choice. Hence only persons can be represented in a free state. One is a person only in so far as he exercises free choice. Hence only those are persons, in the political sense, who are capable of free choice between political alternatives. (8)

2. THE RIGHT OF SUFFRAGE.

A suffrage, or vote, is the affirmation of a choice. Hence, only persons, in the political sense, as beings capable of a political choice, have the power to vote. This limits the right of suffrage to persons who are competent to choose between proposed men and measures, and who can, and do, exercise absolute freedom of choice concerning them. It excludes (1) *infants*, as incapable of political choice; (2) *imbeciles*, as incapable of any intelligent choice; (3) *lunatics*, as incapable of any choice; (4) *the bribed*, as having sold their freedom of choice; (5) *slaves*, as being without the power of choosing; (6) *many women*, as being under authority, and so liable to coercion. The age at which

one arrives at such maturity as to be capable of a political choice must vary widely with education and surroundings. This age is fixed by law, and in the United States and England has been placed at twenty-one years. At this age a person is said to pass out of his "minority" and attain his "majority."

3. THE RELATION OF THE REPRESENTATIVE TO HIS CONSTITUENCY.

Two theories have been advanced as to the relation of a representative to his constituency: (1) that a representative should *re-present*, or merely voice forth, the opinions of his constituency, without independent exercise of his own judgment and choice; (2) that a representative is chosen on account of his *ability to judge and choose* for the people; and he should, therefore, exercise freely his judgment and choice in their behalf. The first theory is impossible in practice, for the judgment and choice of the whole people are often not ascertainable. The second theory is based on the fact that representation is *of* persons *by* persons. But the representative would cease to be a person, and become a mere impersonal instrument, if he did not exercise his power of free choice. His personality is the basis of his responsibility, and he cannot surrender his power of choice without ceasing to be responsible. (9)

IV.

THE INSTRUMENT OF GOVERNMENT.

1. THE NATURE OF LAW.

LAW is the instrument of government. In its most general and comprehensive sense, says Blackstone, it signifies "a rule of

action." In its more limited sense, it denotes the rules of human action or conduct; that is, "the precepts by which man, a creature endowed with both reason and free-will, is commanded to make use of those faculties in the general regulation of his behaviour." These rules must be prescribed by some competent authority, and this leads us to the distinctions made farther on.

(10)

2. THE DIFFERENT KINDS OF LAW.

We enumerate below the most important kinds of law :

(1) DIVINE LAW is the will of the Creator. It is made known to us in our moral constitution and by revelation. It is also called the moral law. It is binding on all men because they are the creatures of Him who has established the law. No law can have authority that is in plain contradiction to the divine law.

(2) CONSTITUTIONAL LAW is the organic law of a nation, in which the form of government is determined. It expresses the will of the whole people and may be altered by them.

(3) MUNICIPAL LAW is a rule of civil conduct prescribed by the supreme power in a state. Under this head we must note the following distinctions. *Statute law* is the written will of the legislative department of government, enacted according to the provisions of the Constitution. *Common law* is "that branch of the law of England which does not owe its origin to parliamentary enactment—being a collection of customs, rules and maxims, which have acquired the force of law by immemorial usage recognized and declared by judicial decisions." It has been adopted in the United States as law where statutes do not differ from it. A vast body of law derived from Roman usage and writing is in force in countries that have received their institutions from Rome, and is known as the *Civil Law*. It comprises the *Code*, twelve books of imperial statutes dating from Hadrian to Justinian; the *Institutes*, or elements of Roman law, in four books, being a digest of the ancient law for students at law; the *Pandects*, an abridgement, in fifty books, of the decisions of praetors and ancient writers; and the *Novels of Justinian*, a collection of imperial statutes passed after the date of the Code, and intended to improve and correct preceding publications. The Roman law has

not been adopted at large in the United States, but is in force in Louisiana.

(4) **CANON LAW** is the law of the Roman Catholic Church, and a portion of it has authority in the ecclesiastical courts of England. There are no ecclesiastical courts in the United States.

(5) **MILITARY LAW** is a system of rules for the government of an army. It admits of great freedom of action on the part of the commander, as is necessary in order to secure the results of an arbitrary dictatorship. When a commander declares a country under *Martial* law, it is equivalent to setting aside the municipal law for the time.

(6) **INTERNATIONAL LAW** is the name applied to the system of rules assented to by the majority of civilized nations. It has no authoritative source, and is dependent upon common usage.

3. MAXIMS OF INTERNATIONAL LAW.

The following maxims are generally accepted among civilized nations as principles to be observed in their international relations :

(1) **FOREIGNERS** are subject to the laws of the country in which they are resident. They may also seek protection under the laws in the local courts. Sovereigns of other countries and ambassadors, with their attendants, are exempt from the jurisdiction of the country where they reside. (11)

(2) **THE OPEN SEA** is the common highway of nations, and so also are rivers separating two countries. (12)

(3) **TREATIES** are not binding unless ratified by both governments involved, and one is liberated when the other violates the treaty. (13)

(4) **A FORMAL DECLARATION OF WAR** is not necessary before hostilities are begun, if the intention to declare war has been announced within the country declaring it. (14)

(5) **A STATE OF WAR** ends all trading with the enemy, unless a special license has been granted for trading. If they are not armed and make no resistance, private persons are not to be molested or private property confiscated. Citizens of the hostile country cannot be detained in another country, unless guilty of some offense. (15)

(6) AN ENEMY'S PROPERTY at sea may be captured. Property sailing under the enemy's flag is liable to confiscation, though it belong to a neutral. (16)

(7) NEUTRALS may trade uninterruptedly, except in ports declared blockaded, but may not carry articles contraband of war. To be effective, a blockade must be actual, not merely a "paper" declaration. Neutrals must have due notice of the blockade, or entrance to a port is innocent. In time of war, neutrals may be searched. (17)

(8) A TRUCE is a temporary suspension of hostilities. During a truce it is held to be illegal to do any thing to change the situation of the forces. (18)

V.

COLONIAL GOVERNMENT.

1. POLITICAL STATUS OF THE COLONISTS.

The American colonists came to America as the citizens of European monarchies and subjects of their monarchs. For a time they retained their allegiance to the governments of the mother-countries. In the course of time this allegiance was abandoned in a manner to be farther described. (19)

2. THE COLONY OF VIRGINIA.

Until 1619, the people of Virginia were ruled by a Governor and Council, appointed by the English Crown. They were entitled to all the privileges of British subjects, and claimed the right to be represented in the British Parliament. In 1619, the Governor, Sir George Yeardly, called a General Assembly of the representatives of the people, as a local legislature. This was the first representative legislature in America.

3. THE PLYMOUTH COLONY.

The Pilgrim Fathers, on board the *Mayflower*, in 1620, drew up a compact, acknowledging the sovereignty of King James of Great Britain, and covenanting to "enact, constitute and frame such just and equal laws, ordinances, acts, constitutions and officers, from time to time, as shall be thought most meet and convenient for the general good of the colony." Under this compact, a Governor and an Assistant were elected annually. The number of assistants was afterward increased to seven. The supreme legislative power resided in the male freemen who were church members, and they all voted in general assembly. In 1629, representation was adopted. In 1684, the English Government established over them a government not of their choice. In 1691, the Colony of Plymouth was united with the Colony of Massachusetts by a charter from the Crown.

4. THE CLASSES OF COLONIAL GOVERNMENTS.

Without entering into details respecting the colonial governments, we may, with Blackstone, divide them into the following three classes:

(1) THE PROVINCIAL GOVERNMENTS. In these the King appointed the Governor and a Council to assist him as an upper house of a legislature, while the governor called an Assembly as a lower house, elected by the freeholders. The Governor had the power of veto and of dissolution. All laws were subjected to the ratification of the Crown. The Governor and Council had power to establish courts, raise troops for defense, and exercise martial law in case of rebellion or invasion.

(2) THE PROPRIETARY GOVERNMENTS differed from the Provincial in that the proprietary, or owner, exercised over them the powers of the King, while he was also subject to the King.

(3) THE CHARTER GOVERNMENTS possessed charters, granted by the King, in which their forms and powers were defined. In the earliest charters provision was made for a legislative body chosen by the people; but the colonists insisted on representation in the government, and finally secured it in every colony. The powers of the local legislatures were, however, very limited. (20)

5. INTER-RELATIONS OF THE COLONIES.

The colonies were originally separate and independent of one another, having only a common allegiance to the English Crown. As subjects of the King, all colonists could live in any colony and enjoy its rights. The question of taxation united the colonists in the formation of one government. All agreed that they should not be taxed without their consent. They denied the right of Parliament to tax them without representation. Massachusetts finally declared that Parliament had no right to legislate for the colonies. Parliament claimed this right and imposed heavy taxes. Among the most odious was the tax on tea. After much remonstrance, Massachusetts recommended the assembling of a Continental Congress. (21)

6. THE CONTINENTAL CONGRESS.

A Congress, composed of delegates chosen by the lower houses of the legislatures, in some cases, and in others by conventions of the people, assembled in Philadelphia, on Sept. 4, 1774. Each colony had one vote on the questions that arose. This Congress adopted a Declaration of Rights, setting forth the grievances of the colonies to the people of England, the other colonies and the King. A second Congress met in May, 1775, the delegates being chosen as before. This Congress recommended raising an army, appointed Washington commander-in-chief, authorized the issue of two million dollars in bills of credit, and, on July 4, 1776, declared the colonies independent of Great Britain. From this time forth Congress exercised, by choice of the people, the powers of a national government. (22)

VI.

THE CONFEDERATION.

1. THE FORMATION OF THE CONFEDERATION.

It was at once apparent that unity of action demanded an

authoritative association of the colonies and a written instrument defining the powers of Congress. The time from June 11, 1776 to March, 1781, was employed in drafting, revising and adopting certain Articles of Confederation to serve this purpose. (23)

2. THE CONFEDERATION NOT A NATION.

The Continental Congress had assumed and exercised national powers by the consent of the colonies, but the Articles of Confederation prescribed a league of friendship and co-operation, not an organic nation. The evidence of this is as follows: (1) The "sovereignty of the states" is expressly retained by Article II. (2) The Confederation is styled "a firm league of friendship" in Art. III. (3) The delegates were to be appointed by the legislatures of the states (Art. V.). (4) The voting was to be by states (Art. V.). (5) The executive committee, appointed to act during the recess of Congress, was a "Committee of States" (Art. X.).

3. THE ORGANIZATION OF THE CONGRESS.

The Congress consisted of one House, composed of delegates from all the states, each state having not less than two, or more than seven, delegates, elected for one year, and not eligible for more than three years in a period of six years. The delegates could be withdrawn at the pleasure of the states, and were prohibited from holding any office under the United States during their term of office.

4. POWERS OF THE CONGRESS.

The Congress had the following powers: (1) to determine *war or peace*; (2) to send and receive *ambassadors*; (3) to enter *treaties and alliances*, under certain limitations; (4) to decide the *legality of captures*; (5) to grant letters of *marque and reprisal*; (6) to appoint courts for the *trial of pirates*; (7) to regulate the *alloy and value of coin*; (8) to fix the standard of *weights and measures*; (9) to manage the *Indians*, who were not members of the states; (10) to establish *post-offices* and charge postage; (11) to appoint most *officers of the army and navy*; (12) to appoint their *presiding officer*; (13) to *ascertain the sums of money needed* to defray the public expenses; (14) to *borrow money* and emit bills of credit; (15) to build and equip a *navy*; (16) to agree

upon the *number of land forces* and fix the quota for each state, with power to enforce the requisition. (24)

5. RESTRICTIONS OF THE CONGRESS.

Most of the powers previously named could not be exercised without the consent of nine states of the thirteen. Measures of great moment often failed of adoption on account of this restriction. Congress had no power to execute laws. All was left to the states, and the states often failed. Congress could build and equip a navy and raise an army, but could not lay a dollar of tax or collect a dollar of revenue, with which to meet the expenses. Congress had no power to regulate commerce, and American shipping was swept from the seas. In truth, Congress, under the Confederation, was little more than an advisory committee. (25)

6. FAILURE OF THE CONFEDERATION.

Before the close of the War of the Revolution, the Confederation was seen to be a failure. Washington wrote, "The Confederation seems to me to be little more than the shadow without the substance, and Congress a nugatory body." When the pressing necessity for union was removed by the termination of the War, the defects of the Confederation became more and more apparent. The treaties of Congress were broken by the states. The assessments of money were not paid. Public credit was wholly lost. The resolutions of Congress were treated with contempt. Clear-minded statesmen saw the necessity of a strong central government, and out of this necessity the Constitution had its origin. (26)

VII.

FORMATION OF THE CONSTITUTION.

1. THE VIRGINIA RESOLUTION.

James Madison, of Virginia, felt the defects of the Confed-

eration so keenly that, in 1784, he sought a seat in the Virginia Legislature for the express purpose of influencing that body to attempt the formation of a national government. At first he found a strong aversion to the surrender of power by the state to a government of the United States. After two years of effort, he succeeded in carrying a resolution appointing himself and four others to meet similar committees from other states, in order to consider the question of a uniform system of commerce.

2. THE ANNAPOLIS COMMITTEE.

In accordance with this resolution, delegates from five states met at Annapolis, in Sept. 1786. Very little interest was manifested and the only result was a report, drawn up by Alexander Hamilton, recommending to Congress the appointment of commissioners by the states, "to devise provisions to render the constitution of the Federal Government adequate to the exigencies of the Union.

3. THE FEDERAL CONVENTION.

In response, Congress recommended a convention to meet in Philadelphia, on May 14, 1787. All the states except Rhode Island appointed delegates. The delegates assembled slowly, and business was not begun for nearly two weeks. At last fifty-five were gathered, and among them the most patriotic, wise and talented men of the time. This assembly is known as the *Federal Convention*. Washington was chosen to preside. Absolute secrecy was agreed upon, but Madison kept a record, which, after his death, was published by order of Congress and furnishes a full history of the proceedings. (27)

4. A NATIONAL GOVERNMENT RECOMMENDED.

When the Convention assembled, it was supposed that its object was to amend the Articles of Confederation. It soon appeared that nothing would meet the case but a national, as opposed to a merely federal, government. Had the call of the Convention been to propose a national government, the Convention would never have met; but, on the 13th of June, the following resolution was adopted:

“RESOLVED, That a national government ought to be established, with a supreme legislature, executive and judiciary.” This resolution should be noted as exhibiting the intention of the Convention to recommend the formation of a *nation*, not a league. (28)

5. THE VIRGINIA, OR NATIONAL, PLAN.

Edmund Randolph, of Virginia, laid before the Convention a plan, embodied in fifteen resolutions, proposing a national government, with legislative, judicial and executive functions. The legislature was to consist of two branches, one elected by the people, the second to be elected by the first branch out of a number of candidates to be nominated by the state legislatures. The power of the legislature was to be truly national. The right of suffrage was to belong to all free inhabitants of the United States. This was called the “Virginia,” or “national,” plan.

6. THE NEW JERSEY, OR CONFEDERATE, PLAN.

Patterson, of New Jersey, proposed that the Articles of Confederation be revised; the powers of Congress enlarged in respect to revenue and the regulation of commerce; an executive appointed; a judiciary established; and that treaties ratified by Congress be the law of the land. This is known as the “New Jersey” plan, or the “confederate” plan. Other plans were offered, notably one by Alexander Hamilton, but they need not be described here. (29)

7. THE DISCUSSION OF THE PLANS.

The two plans that occupied the minds of the delegates were the “national” and the “confederate.” Franklin proposed that the sessions be opened with prayer; and thus, if the Constitution finally adopted does not contain the name of God, it was avowedly formed in His name. Both plans were long debated. The “national” plan was remodelled by a committee and substantially adopted. Thus the Constitution, for whose formation no convention could have been assembled, was gradually evolved by a patient and judicious compromise with popular feeling. (30)

THE ADOPTION OF THE CONSTITUTION.

1. THE CONSTITUTION REFERRED TO THE PEOPLE.

The Constitution prepared by the Federal Convention was laid before the Congress of the Confederation, by Congress sent to the states, and by the states referred to conventions of the people. In this act there is a distinct recognition that sovereignty is inherent in the people, not in the states. The instrument was drawn in the name of the people, not in that of the states, beginning, "We, the people." Its adoption was dependent on the ratification of the proposed plan by the people. Its final adoption was, therefore, the formation of a national government by the people of the United States. (31)

2. OPPOSITION TO THE CONSTITUTION.

The national character of the Constitution is farther evident from the arguments by which it was opposed. In some quarters eminent men, like Patrick Henry and Samuel Adams, opposed its adoption on the ground that it centralized power, and withdrew from the states the independence and sovereignty which they had under the Confederation. These men were favorable to a league between the states, rather than one nation. Some saw in the President of the United States a masked king, who some day would throw off the disguise and proclaim himself sovereign. The friends of the national plan embodied in the Constitution were called Federalists. The opposers were known as Anti-federalists.

3. EXPOSITION OF THE CONSTITUTION.

In order to explain to the people the nature and purpose of the Constitution, Hamilton, Madison and Jay wrote extended essays expository of the Constitution. These papers were afterward collected into a volume known as "The Federalist," one of

the most statesmanlike treatises on the science of government in existence. In this valuable document we have the views of some of the framers of the Constitution as to its nature and meaning.

4. RECEPTION OF THE CONSTITUTION BY THE STATES.

Pursuant to the recommendation of Congress, the state legislatures called conventions of the people at different times. Delaware adopted the Constitution on December 7, 1787. In Pennsylvania, the Constitution was explained and defended by one of the framers, James Wilson, and his speeches constitute one of the best commentaries on the Constitution that have been prepared. Pennsylvania adopted the Constitution on Dec. 12, 1787. In many of the states the opposition was intense. In Virginia, Henry and Monroe opposed, and Madison, Marshall and Randolph defended, the Constitution. It was finally ratified by Virginia. North Carolina rejected the Constitution and Rhode Island refused to call a convention. (32)

5. FINAL ADOPTION OF THE CONSTITUTION.

The Constitution provided that when it had been ratified by nine of the thirteen states, it should be binding on those states. New Hampshire was the ninth state to ratify, on June 21, 1788. The report of the Committee on the Formation of Government was adopted in Sept. 1788, and elections of officers under the Constitution were held in Jan. 1789. The opposers of the Constitution magnanimously resolved to stand by it, as the will of the majority. North Carolina soon after ratified it, and Rhode Island, last and least, ratified it in May, 1790, after it had had a year's trial.

6. THE FIRST TEN AMENDMENTS.

Several of the popular conventions had demanded certain amendments as the condition of ratification. This demand was waived ; but, in order to meet the objections of Anti-federalists, the first ten Amendments to the Constitution were adopted by the first Congress, and approved according to law. The Constitution thus framed, with the addition soon after of the XIth and XIIth Amendments, remained unchanged, as the supreme law of the land, for three quarters of a century ; and has stood the tests

of vast territorial expansion, foreign and civil wars, an unprecedented increase of population and the commingling of the most heterogeneous races.

IX.

THE NATURE OF THE CONSTITUTION.

1. PECULIARITIES OF THE CONSTITUTION.

The Constitution of the United States has several peculiarities that distinguish it from the constitutions of most nations: (1) It is *wholly written*, not traditional, like that of England; (2) it is *incomplete* in not exhaustively determining all governmental action; (3) it expressly *defines and limits* the separate departments of the government; (4) it provides for a *legal change* of the Government. (33)

2. THEORIES OF ITS ESSENTIAL NATURE.

The following theories of the essential nature of the Constitution have been advocated:

(1) **THE NATIONAL THEORY.** This regards the Constitution as the organic and fundamental law of a nation, in the sense of "an independent, separate, political society, with its own organization and government, possessing in itself inherent and absolute powers of legislation." It denies that the Constitution is merely a league, or compact between sovereign states. The national theory was held by Hamilton, Jay, Marshall, Webster and Story, and has been sustained by the decisions of the Supreme Court and the issue of the Southern attempt at secession.

(2) **THE LEAGUE THEORY.** This theory denies that the United States is now, or ever was, a nation, and maintains that

it is simply a league, or compact, between sovereign states. It has been defended by Jefferson, Calhoun and A. H. Stephens, and was the theoretical basis of the secession of the Southern states.

(3) THE NATIONAL-UNION THEORY. This theory concedes that the states were originally independent, sovereign commonwealths, which have irrevocably surrendered their original sovereignty by forming a national union. The states, therefore, and not the people, constitute the nation, and retain such sovereignty as is not formally surrendered in the Constitution. This theory was advocated by Madison and Jackson, underlies the decisions of Chief-Justice Taney and has been held by many politicians. (34)

3. THE MEANING OF "SOVEREIGNTY."

Political sovereignty is the distinctive attribute of the nation as an independent political society. Sovereignty is *supreme power*, or power that is inherent and absolute, not derived or limited. Natural sovereignty is of God, who alone is naturally absolute. Political sovereignty is the will of the people, not the will of a state. The states have rights, and it is proper to speak of "states rights"; but states, as parts of a nation, cannot be said to be supreme or to possess sovereignty, if there is a power above them like the national power. (35)

4. THE UNITED STATES A NATION.

That the United States is a nation, in the sense already defined, and that the separate states are not sovereign, is evident from the following considerations:

(1) THE PURPOSE OF THE FRAMERS OF THE CONSTITUTION WAS TO FORM A NATION, NOT A LEAGUE. Randolph said in the Federal Convention: "The true question is, whether we shall adhere to the federal plan or introduce the national plan." The Convention voted to recommend the national plan.

(2) THE ADOPTION OF THE CONSTITUTION WAS DEBATED ON THAT ISSUE. It was opposed by Patrick Henry as constituting a nation, instead of a league. It was defended by Randolph and others, before the people, as a national plan.

(3) THE CONSTITUTION IS FRAMED IN THE NAME OF THE

PEOPLE OF THE UNITED STATES, not in the name of the states. Compare the Preamble with that of the Constitution of the Confederate States, afterward drawn up by advocates of the league theory.

(4) THE CONSTITUTION DECLARE ITSELF THE "SUPREME LAW OF THE LAND" (Art. VI. Sect. 2), and makes the decisions of the United States courts binding upon all the judges of the states, "the constitution or laws of any state to the contrary notwithstanding." Here is a distinct assertion of the supremacy of the United States Government, and a consequent denial of the sovereignty of the states.

(5) THE NATIONALITY OF THE CONSTITUTION IS EVIDENT FROM THE LEGISLATIVE POWERS OF CONGRESS, which are superior to those of the states,—such as engaging in wars, making treaties, coining money, and collecting taxes within the states.

(6) THE PROVISIONS FOR ITS ALTERATION (Art. V.) show that the Constitution is a creation of the people and not a compact of the states. Amendments may be ratified by the legislatures of the states or by conventions of the people, as Congress may think expedient. The sovereignty of the people, not of the states, is here plainly taught; for Congress may appeal directly to them and ignore the state governments.

(7) THE DECISIONS OF THE SUPREME COURT declare the United States to be a nation and that the states are not sovereign states. This is conclusive and has the force of law. (36)

X.

THE GOVERNMENT OF PENNSYLVANIA.

1. THE CONSTITUTION OF PENNSYLVANIA.

Since the proprietary government of William Penn, Penn-

sylvania has been governed under four constitutions, those of 1776, 1790, 1838 and 1873. The last is at present the organic law of the Commonwealth, was ratified by the people by a majority of almost three to one, and became operative on Jan. 1, 1874. (37)

2. THE DECLARATION OF RIGHTS.

The first article of the Constitution declares the following rights "excepted out of the general powers of government, and they shall forever remain inviolate": (1) All men are born *equally free and independent* and have certain inherent rights; (2) all power is *inherent in the people* and all free governments are founded on their authority; (3) all men have natural rights of *religious belief and conscience* which no human authority can control; (4) no person believing in *God and a future life* shall be disqualified from holding any office; (5) *elections* shall be free and equal; (6) *trial by jury* shall be inviolate; (7) the *freedom of the press* shall be unrestrained; (8) the people shall be secure from *unreasonable searches*; (9) in criminal prosecutions all persons shall be *heard by counsel* and need not give evidence against themselves; (10) no citizen shall be proceeded against by *information*; (11) all *courts shall be open* and all shall have remedy by law; (12) no power of *suspending laws* shall lie in the legislature; (13) *excessive bail* shall not be required; (14) all but those accused of capital offenses shall be entitled to *release on bail*; (15) no commission of *jail-delivery* shall be issued; (16) there shall be no *imprisonment for debt*; (17) no *ex post facto law* or law impairing contracts shall be passed; (18) no person shall be attainted of *treason or felony* by the legislature; (19) no attainder shall work *corruption of blood or forfeiture of estates*; (20) citizens have a right to *assemble together* in a peaceable manner and to ask redress of grievances; (21) citizens have a right to *bear arms* in defence of themselves and the State; (22) no *standing army* can be kept in time of peace without the consent of the legislature; (23) no soldier shall be *quartered in any house* without the consent of the owner, except according to law in time of war; (24) the legislature shall grant no *title of nobility*; (25) *emigration* from the State shall not be prohibited.

3. THE LEGISLATURE.

This consists of a senate and a house of representatives. Senators are elected for four years and representatives for two. The two houses (general assembly) meet every other year on the first Tuesday in January and at other times when convened by the governor. Senators must be at least twenty-five years old and representatives twenty-one. No law can be passed except by bill, which must be referred to a committee and pass a third reading. Local or special laws restricting the rights of communities cannot be passed.

4. THE EXECUTIVE.

The executive department consists of a governor, lieutenant-governor, secretary of the commonwealth, attorney-general, auditor-general, State treasurer, secretary of internal affairs and a superintendent of public instruction. The governor holds office for four years and is not eligible for re-election for the next term. The governor must be at least thirty years old. He fills vacancies by appointment under certain restrictions, signs bills and has the power of veto, but bills may be passed over his veto by a majority of two thirds of both houses.

5. THE JUDICIARY.

There are the following courts : (1) a Supreme Court ; (2) courts of Common Pleas ; (3) courts of Oyer and Terminer ; (4) courts of Quarter Sessions ; (5) Orphans' Courts ; and (6) Magistrates' Courts. The questions of Jurisdiction are too technical to be introduced here. The Supreme Judges are elected for twenty-one years, or during good behavior. All other law judges are elected for ten years, or during good behavior.

6. COUNTY OFFICERS.

County officers consist of sheriffs, coroners, prothonotaries, registers of wills, recorders of deeds, commissioners, treasurers, surveyors, auditors or controllers, clerks of the courts, district attorneys, and such others as may be established by law. They are elected at general elections and hold office for three years.

QUESTIONS ON THE CONSTITUTION.

1. What are the three departments of government?
2. Why should these departments be distinct and separate?
3. Of what does Congress consist?
4. Why are two houses better than one?
5. Why should the two houses be differently constituted?
6. What is the term of service in Congress?
7. How old must a representative be?
8. What is required with respect to citizenship and inhab-
itancy?
9. What is the apportionment of representatives?
10. How is the number of representatives limited?
11. Do the representatives vote by States, or as individ-
uals?
12. What has been the ratio of representation with increase
of population?
13. How are vacancies filled in the House of Representa-
tives?
14. How is the Speaker chosen?
15. Where is the power of impeachment vested?
16. How is the Senate composed?
17. Why are Senators chosen by State Legislatures?
18. Why do the large and the small States have the same
number?
19. What is the term of service in the Senate?
20. How long must the Senator have been a citizen?
21. Who presides over the Senate?
22. Who presides over the Senate when the Vice-President
is tried?
23. What of the time, place and manner of holding elec-
tions?
24. How often must Congress meet?
25. Who judge of the election and qualification of members?
26. How many constitute a quorum in the House, in the
Senate?
27. How may a member be expelled?
28. When must the yeas and nays be called?

29. When may the proceedings of Congress be kept secret ?
30. What is the law respecting adjournment of Congress ?
31. How are members of Congress paid for their services ?
32. What special privileges do they enjoy ?
33. Where must all bills for revenue originate ?
34. Can the Senate amend a revenue bill ?
35. State the mode of passing a law.
36. What must be done with every order and resolution of Congress ?
37. For what purpose may Congress lay and collect taxes ?
38. What department of the Government can borrow money ?
39. What is the power of Congress as to commerce ?
40. What are naturalization laws ?
41. How are post-offices and post-roads established ?
42. What are copyright and patent laws ?
43. What power has Congress concerning piracy and the law of nations ?
44. What are letters of marque and reprisal ?
45. By whom may armies and navies be raised ?
46. What power can call out the militia ?
47. What clause gives Congress power to charter national banks ?
48. What is the Writ of *Habeas Corpus*, and when may it be suspended ?
49. What is a Bill of Attainder, and why may Congress not pass one ?
50. What is an *ex post facto* law ?
51. How can money be drawn from the Treasury ?
52. Can Congress grant a title of nobility ?
53. May the States borrow money and issue bonds ?
54. What is a bill impairing the obligation of contracts ?
55. For what purpose may a State impose duties ?
56. May leagues be formed between the States ?
57. Where is the executive power vested ?
58. What is the President's term of office ?
59. By whom and how are the President and Vice-President chosen ?

60. Why is the day of election uniform throughout the country ?

61. Who is eligible to the office of President ?

62. How old must one be to be President ?

63. What is done when the office of President is made vacant ?

64. What is done when there is no Vice-President ?

65. What is the salary of the President ?

66. Why is the President the commander-in-chief of the army ?

67. Where is the pardoning power vested ?

68. How is the pardoning-power limited ?

69. Where is the treaty-making power vested ?

70. Who appoints ambassadors of the United States ?

71. Is the President bound to ratify a treaty if the Senate approve it ?

72. Who appropriates the money to carry a treaty into effect ?

73. May the representatives withhold the money if they choose ?

74. Why is the consent of the Senate necessary to the appointments of the President ?

75. When may the President convene and adjourn Congress ?

76. How may the President be removed from office ?

77. Where is the judiciary power of the United States vested ?

78. Name the three national courts.

79. Of what does the Supreme Court consist ?

80. When and where are its sessions held ?

81. How many judicial circuits are there ?

82. Who are the circuit judges ?

83. What are the district courts ?

84. What are the officers of the national courts ?

85. How are the judges appointed ?

86. What is their tenure of office ?

87. How is the compensation of the judges fixed ?

88. To what does the judicial power extend ?

89. Can the United States bring a suit against an individual.

90. Can an individual bring a suit against the United States?
91. Can citizens of one State bring a suit against another State?
92. What is the jurisdiction of the Supreme Court?
93. What is the principal business of the Supreme Court?
94. May appeals be taken from the State Courts to the Supreme Court?
95. What is "treason" and what is necessary to conviction?
96. What rights have citizens of one State in another?
97. How are States admitted into the Union?
98. What are the territorial governments and how are they related to the national?
99. How may the Constitution be amended?
100. How many amendments have been made to the Constitution, and what are they about?

WORKS OF REFERENCE ON POLITICS.

The following are some of the most important works which one professing a systematic acquaintance with the subject needs to read and consult:

THE THEORY OF GOVERNMENT.

"Politics for Young Americans," by Charles Nordhoff. [This is an admirable little work in plain style, prepared for boys and young men, by a distinguished journalist.]

"The Nation," by E. Mulford. [President Angell, of Michigan University, says of it: "It is the most valuable contribution to political philosophy which has been written in the English language in the present generation." It was a favorite work with the late President Garfield.]

"The Science of Politics," by Sheldon Amos. [This is a suggestive work by an English professor of law on the theory of the State.]

"Political Science, or the State," by Theodore D. Woolsey. [This is an exhaustive work in two large volumes, by a late Presi-

dent of Yale College. It is sound in principles and covers the whole ground, but is a little dry except for specialists.]

“American Citizen’s Manual,” by W. C. Ford. [This is intended to give an insight into the actual structure and working of the Government of the United States. It is in two small volumes and is full of fresh information, having been recently prepared. (1882)]

“On Civil Liberty and Self-government,” by Francis Lieber. [This is a work of great value, though its doctrines have been to some extent absorbed by more recent works. It is valuable for its extensive historical illustrations and important documents in the Appendix; such as the text of Magna Charta, the French Constitutions, etc.]

“Considerations on Representative Government,” also “On Liberty,” by J. S. Mill. [These are famous works on the principles of government by a great economist and logician.]

“Politics” by Aristotle, translated by E. Walford. [This is very interesting as a compendium of the best views of the ancients on the subject of government. Plato’s “Republic” and “Laws,” translated by Jowett, will profit the thorough student.]

THE ELEMENTS OF LAW.

“Blackstone’s Commentaries.” [This famous work remains the best introduction to the subject. A single reading, at least, is almost indispensable to a general education. A condensed edition in one small volume, with obsolete matter eliminated, has been prepared by Marshall D. Ewell, Professor of Law, and is commended to the general reader. Published at \$2.50, by Soule and Bugbee, Boston.]

“Elements of Jurisprudence,” by T. E. Holland. [This is a very clear and brief introduction to the first principles of law, by an English lawyer and Oxford Professor of Law.]

“The Science of Law,” by Sheldon Amos. [This is a work designed to present the theory of law in a scientific form to general readers. Like the author’s “Science of Politics,” it belongs to the “International Scientific Series.”]

“Ancient Law,” by Sir H. Maine. [This has an historic as well as a legal interest, as it traces the evolution of custom.]

"International Law," by T. D. Woolsey. [Probably the best American compendium on the subject. There is a good bibliography in the Appendix.]

"International Law," by W. E. Hall. [This is a leading English authority. It is a larger work than Woolsey's.]

EXPOSITIONS OF THE CONSTITUTION.

"The Federalist," [This is *par excellence* the commentary on the Constitution.]

"Commentaries on the Constitution of the United States," by Joseph Story, revised by T. M. Cooley. [This is a great and monumental work. The author is a great authority on Constitutional questions. He has prepared a smaller work, called "A Familiar Exposition," in which the principles of the larger are set forth in brief.]

"An Introduction to the Constitutional Law of the United States," by J. N. Pomeroy. [President Anderson, of Rochester University, says of Professor Pomeroy's book that, in the important qualities of such a work, "it is unquestionably superior to any work on the subject hitherto written."]

"The Science of Government," by Joseph Alden, is an excellent brief manual of exposition.

"Constitutional View of the Late War between the States," by A. H. Stephens. [This is the ablest defense of the Constitutional interpretation that inspired the Rebellion of the Southern States. It contains also the Constitution of the Confederacy and other valuable documents.]

CONSTITUTIONAL HISTORY.

"History of American Politics," by Alexander Johnson. [This is a useful little digest of political history. It contains the Constitution, the Articles of Confederation and valuable tables of statistics and returns.]

"Constitutional History and Development of the United States," by Simon Sterne. [This is a fair short outline of constitutional history.]

"Outlines of the Constitutional History of the United States," by Luther H. Porter. [This is a more serviceable book than the preceding. It is well analysed and has useful tables and sum-

maries. A good feature is the insertion in small type of the important original documents. It has an exposition of each clause of the Constitution. It is probably the best single book for the student to buy.]

"Constitutional History of the United States," by H. Von Holst. [A great work, reaching only to 1846 at the close of the second octavo volume. It has the thoroughness and the dryness of the German method of treatment. Useful for reference.]

"Historical Outline of the English Constitution for Beginners," by D. W. Rannie. [This is a good brief outline of the growth of English institutions, which we for the most part inherit. It can be read in a day and is useful.]

"Constitutional History of England," by W. Stubbs. [This is a work of great value and accuracy, but too ponderous for the student. It is admirable for reference and for advanced reading.]

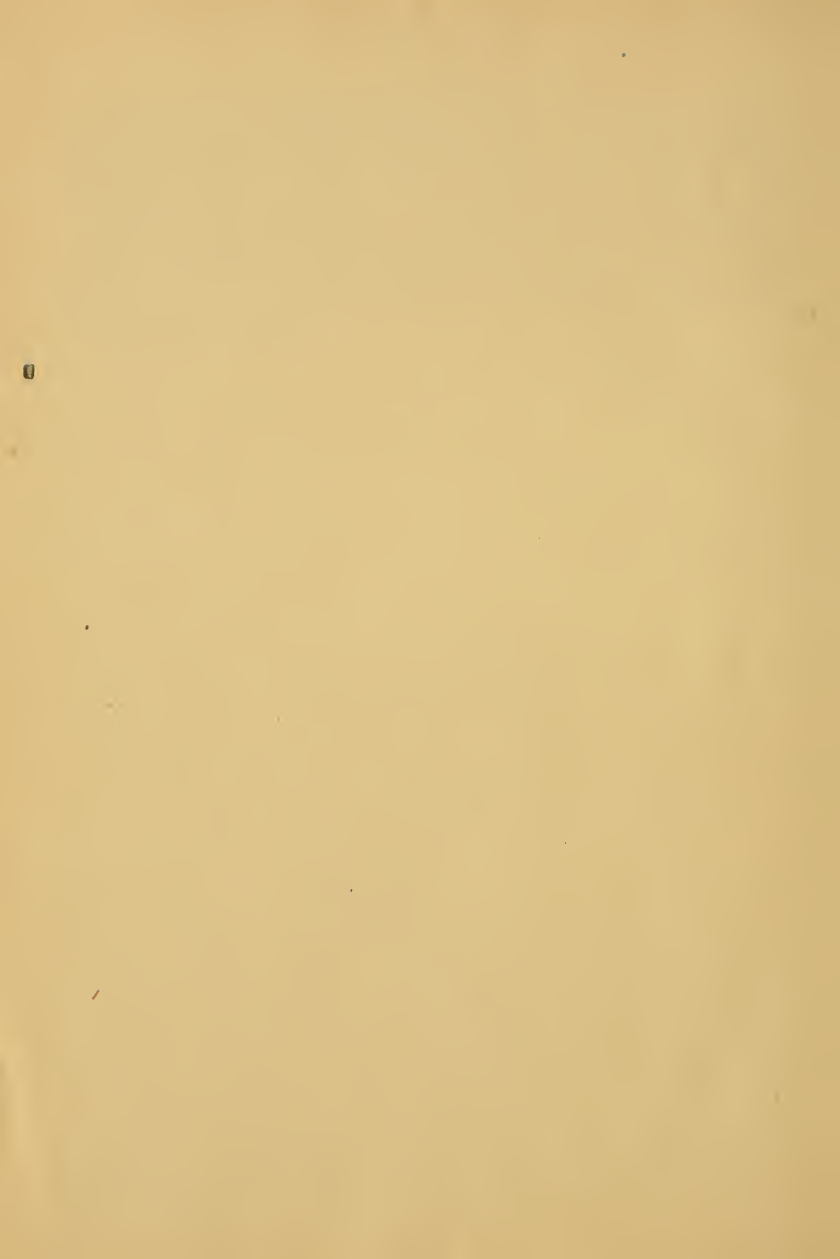
READING REFERENCES.

In the following references. A. stands for Alden's "Science of Government." B. for Blackstone's Commentaries," L. for Lieber's Civil Liberty." M. for Mulford's "The Nation." N. for Nordhoff's "Politics for Young Americans," P. for Pomeroy's "Introduction to Constitutional Law." S. for Story's "Familiar Exposition of the Constitution," and W. for Woolsey's "International Law."

1 N. 11, 14.—2 M. 3, 4; and 43.—3 M. 61, 63.—4 P. 59, 62.—5 M. 106, 107.—6 M. 172.—7 M. 108, 111; and 116, 117; and 119, 120; and 140, 143; and L. 37, 42; and 45, 56.—8 M. 212, 225.—9 Mill's "Representative Government," 233, 248. See also Chap. vii, on the representation of minorities.—10 B. 1, 4.—11 W. 131, 132.—12 W. 73, 86.—13 W. 166, 167; and 178, 180.—14 W. 196, 201.—15 W. 201, 207.—16 W. 207, 216.—17 W. 293, 294; and 304, 306.—18 W. 265, 268.—19 S. 11, 16.—20 S. 17, 20.—21 S. 52, 24.—22 S. 26, 27.—23 S. 27, 29.—24 Articles of Confederation.—25 S. 29, 32.—26 S. 32, 33.—27 A. 56.—28 P. 54, 55.—29 A. 63, 64;

and Alexander Hamilton's Works, vol. ii, 393.—30 A. 68, 69.—31 P. 59. 62.—32 A. 71, 75.—33 P. 11. 13.—34 P. 20, 26.—35 P. 28, 30.—36 P. 72, 74; and 520, 521.—37 The Constitution of Pennsylvania is published by Kay & Brother, 17 and 19 South 6th St. Philadelphia, at 25 cents; and the Constitutions of all the States and of the United States, are published in one volume by A. S. Barnes and Co., 111 William St., New York, at \$2.50.

THE END.







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